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FBIS-SOV-95-116 *16 June 1995*

CONTENTS

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INTERNATIONAL AFFAIRS

Further on Preparations for Halifax G-7 Summit 1
Yeltsin To Offer No Excuses on Chechnya *[INTERFAX]* 1
Yeltsin To Raise Terrorism Issue *[ITAR-TASS]* 1
Yeltsin To Focus on Economic Issues *[ITAR-TASS]* 1
Ministry Spokesman on G-7 Partnership *[ITAR-TASS]* 2
Halifax Bosnia Statement Previewed *[ITAR-TASS]* 2
Italian Prime Minister Arrives *[ITAR-TASS]* 3
PRAVDA Skeptical About G-7 Overtures to Russia *[16 Jun]* 3
IZVESTIYA: No Economic Breakthroughs Expected *[16 Jun]* 5
Recipes To Reform Bretton Woods System Highlighted *[KOMMERSANT-DAILY 15 Jun]* 6
TRUD Considers G-7 Agenda, Related Issues *[16 Jun]* 7

INTERREGIONAL AFFAIRS

ITAR-TASS Carries Press Review for 16 Jun 9
Jan-Apr Average GDP Down 11 Percent on 1994 *[IZVESTIYA 15 Jun]* 9

RUSSIA INTERNATIONAL AFFAIRS

Bosnian Serbs Reportedly Accept Duma Peace Plan *[INTERFAX]* 10
Ministry on Threat of Escalation in Bosnia *[ITAR-TASS]* 10
Bosnia Sides Urged To Eschew Force *[ROSSIYSKIYE VESTI 16 Jun]* 10
UN Representative Seeks Statement on Bosnia *[ITAR-TASS]* 11
Diplomat on Reasons for Bosnia Vote Abstention *[ITAR-TASS]* 11
Army Daily Views UN Forces' Role in Bosnia *[KRASNAYA ZVEZDA 15 Jun]* 12
Delivery of Nuclear Substances to U.S. May End *[INTERFAX]* 13
Congress Antimissile Vote May Affect ABM Treaty *[KOMMERSANT-DAILY 16 Jun]* 14
'Expert' Criticizes U.S. Decision on ABM Systems *[ITAR-TASS]* 14
U.S.-DPRK Light-Water Reactors Deal Viewed *[KRASNAYA ZVEZDA 15 Jun]* 15
Nuclear Power Plant Deals With PRC, Iran Viewed *[IZVESTIYA 15 Jun]* 15
EBRD To Fund Russian Nuclear Safety Measures *[ITAR-TASS]* 18
France Nuclear Test Resumption, NATO Considered *[ROSSIYSKAYA GAZETA 16 Jun]* 19
NATO Incursions Into Arctic Waters Criticized *[ROSSIYSKAYA GAZETA 15 Jun]* 19
Foreign Ministry Urges Antiterrorism Effort *[INTERFAX]* 21
Spokesman Warns Poles on Exploiting Katyn Tragedy *[ITAR-TASS]* 21
Kozyrev Tells OSCE of Estonia's Discrimination *[Moscow International]* 21
Shumeyko, OSCE Official Discuss Russians Abroad *[ITAR-TASS]* 21
German Defense Minister Greets Grachev *[INTERFAX]* 22
EU 'Mistake' in Deferring Trade Pact Decision *[ROSSIYSKAYA GAZETA 16 Jun]* 22
Deputy Premier's Trade Trip to Cuba Previewed *[ITAR-TASS]* 23
Article Examines Trade With Cuba *[SEGODNYA 15 Jun]* 23
PRAVDA on Replacement of 14th Army Commander *[16 Jun]* 24
Decree on Uzbekistan Tax Evasion Agreement *[ROSSIYSKAYA GAZETA 9 Jun]* 25

..... 26
..... 26

RUSSIA NATIONAL AFFAIRS

Political Issues

Filatov: Yeltsin To Sign Duma Election Bill *[INTERFAX]* 26
Shumeyko Seen as Driving Force Behind Election Law *[KOMMERSANT-DAILY 16 Jun]* 26
Yeltsin To Address Government on 1996 Budget *[INTERFAX]* 26
Contents of Presidential Mailbag Viewed *[ROSSIYSKIYE VESTI 16 Jun]* 27
Soskovets To Handle Military-Technical Policy Coordination *[ROSSIYSKIYE VESTI 16 Jun]* 27
Workers' Self-Rule Party Founder Profiled *[SMENA 9 Jun]* 28
New Democratic Electoral Bloc To Be Created *[SEGODNYA 16 Jun]* 29
Duma Deputy Murashev Forecasts Presidential Election *[ARGUMENTY I FAKTY Jun]* 29
Editor Accuses Authorities of Lies, Ineptitude *[MOSKOVSKAYA PRAVDA 16 Jun]* 31
Constitutional Court Failing To Meet Expectations *[KOMSOMOLSKAYA PRAVDA 15 Jun]* .. 33
Judicial Reform Seen as 'Genuine' Advance *[ROSSIYSKIYE VESTI 14 Jun]* 34
'Some Progress' in Combating Organized Crime *[ROSSIYSKAYA GAZETA 15 Jun]* 35
Law on Criminal Code Amendments, Additions *[DELOVOY MIR 9 Jun]* 37
Federal Program Against Drug Abuse Published *[ROSSIYSKAYA GAZETA 15 Jun]* 41

Media Issues

Union Reminds Yeltsin of Promise To Help Media *[KOMSOMOLSKAYA PRAVDA 16 Jun]* .. 43

Military & Nuclear Issues

Lebed To Return to Tiraspol; Comments on Discharge *[INTERFAX]* 44
Grachev Signs Order Transferring Lebed to Reserves *[INTERFAX]* 44
Defense Ministry To Receive 94 Billion Rubles for Chechnya *[INTERFAX]* 45
More Security at Nuclear Sites Following Budennovsk Events *[INTERFAX]* 45

Federal Assembly

Shumeyko Reports to Council on Budennovsk *[Moscow Radio]* 45
Council Committee Focuses on Budennovsk *[INTERFAX]* 46
Budennovsk, No-Confidence Discussed *[INTERFAX]* 46
Duma Passes Motion To Discuss Kozyrev's Activity *[PRAVDA ROSSII 15 Jun]* 46
Role in Sending Peacekeepers Abroad Questioned *[ITAR-TASS]* 46
Duma Discusses CIS Ties, Rejection of Accords *[KOMMERSANT-DAILY 15 Jun]* 47
Duma Deputies Express No Confidence in Government *[Moscow Radio]* 47
Chernomyrdin Bloc Accused of Power Bid *[INTERFAX]* 48
Deputies Unlikely To Gain Votes *[SEGODNYA 16 Jun]* 48
Duma Election Timing Remains Uncertain *[ROSSIYSKIYE VESTI 15 Jun]* 49
Shumeyko Comments on Election Law *[INTERFAX]* 49
Aide on Preelection Situation *[ITAR-TASS]* 50
New Opposition Association Founded in Duma *[SEGODNYA 15 Jun]* 50
Committee Chairman Opposes Sberbank Privatization *[SEGODNYA 16 Jun]* 51
Federation Council Approves Decree on Pensions *[INTERFAX]* 51
Duma Refers Budget Decree to Constitutional Court *[ITAR-TASS]* 51
Upper House Votes Down Securities Bill *[ITAR-TASS]* 52
Federation Council Approves Nuclear Energy Law *[ITAR-TASS]* 52
Duma Passes Bill on Production Sharing *[INTERFAX]* 52
Duma Collecting Evidence on Rights Violations *[PRAVDA ROSSII 15 Jun]* 53

Regional Affairs

Budennovsk Hostage Standoff Continues 53
'Text' of Yeltsin Statement *[ITAR-TASS]* 53
Grachev Interviewed on Situation *[INTERFAX]* 53
Hostage-Takers Hold News Conference *[Moscow RTV]* 54
Terrorists Reject 'Reasonable' Offers *[ITAR-TASS]* 54
Only 'Peaceful' Tactics Considered *[ITAR-TASS]* 55
Casualty Figures Updated *[Moscow RTV]* 55
Grachev Does Not Rule Out Force *[ITAR-TASS]* 55
Chernomyrdin 'May' Conduct Talks *[ITAR-TASS]* 55
*Finland, Karelia Developing Closer Trade Relations *[Helsinki HELSINGIN SANOMAT 23 May]* 55
Smolensk Oblast Unemployment Statistics *[RABOCHIY PUT 7 Apr]* 58
Smolensk Oblast Foreign Trade Turnover *[RABOCHIY PUT 5 Apr]* 58
Yavlinskiy Pays Visit to Nizhniy Novgorod *[NIZHEGORODSKIYE NOVOSTI 25 May]* 59
Gaydar Visits With Arzamas Workers *[NIZHEGORODSKIYE NOVOSTI 25 May]* 60
Agrarian Party's Lapshin Campaigns in Nizhniy Novgorod *[NIZHEGORODSKIYE NOVOSTI 25 May]* 61
Statistics on Tatarstan Wages, Buying Power *[RESPUBLIKA TATARSTAN 8 Jun]* 62
KamAZ Stabilization Steps Noted *[RESPUBLIKA TATARSTAN 7 Jun]* 63
Tatarstan-Bulgaria Trade Agreement Signed *[RESPUBLIKA TATARSTAN 10 Jun]* 63
Volgograd Oblast Duma Debates Administrative Structures *[VOLGOGRADSKAYA PRAVDA 29 Apr]* 64
Volgograd Oblast Privatization Progress *[VOLGOGRADSKAYA PRAVDA 11 May]* 65
Volgograd Commercial Bank System Surveyed *[VOLGOGRADSKAYA PRAVDA 28 Apr]* 66
Volgograd Experiences Shortage of Agricultural Machinery *[VOLGOGRADSKAYA PRAVDA 11 May]* 67
Crime Decline in Volgograd Oblast Noted *[VOLGOGRADSKAYA PRAVDA 15 Apr]* 68
Federal Decree on Novosibirsk Socioeconomic Stabilization *[SOVETSKAYA SIBIR 9 Jun]* 69
News Conference on Work of German Consulate in Novosibirsk *[VECHERNIY NOVOSIBIRSK 9 Jun]* 72

Economic Issues

'Consumer Basket' Dollar Rate at 1,300 Rubles *[IZVESTIYA 15 Jun]* 72
Minister Confident of Ruble Stability *[SEGODNYA 15 Jun]* 72
Paramonova Views 'Distancing' From Dollar *[ITAR-TASS]* 73
Currency Situation, Customs Tariff Hikes Viewed *[MOSKOVSKAYA PRAVDA 15 Jun]* 73
Inflationary Pressures on Economy Outlined *[IZVESTIYA 15 Jun]* 74
Economy Minister on Private Investments *[DELOVOY MIR 12-18 Jun]* 75
Council Approves Law on Restructuring Debts *[ITAR-TASS]* 76

UKRAINE

International Affairs

Kuchma 1 Jun EU Brussels Activities Viewed *[MOLOD UKRAYINY 6 Jun]* 78
Slovak Prime Minister Meciar Arrives in Kiev 80
Meciar Meets Kuchma *[UNIAN]* 80
Cooperation Discussed With Deputy Speaker *[UNIAN]* 80
Cooperation Agreements Signed *[UNIAN]* 80
Chairman Moroz Meets Foreign Envoys 80
Romanian Envoy Meets Moroz *[UNIAN]* 80
Moroz Meets PRC Envoy *[Kiev International]* 81
Spanish Envoy Presents Agreement *[UNIAN]* 81

National Affairs

Kuchma Attends Meetings in Dnepropetrovsk *[UNIAN]* 81
Kuchma Adviser's Visit to Donetsk Questioned *[DONETSKIY KRYAZH 1 Jun]* 82
Navy Chief: Impossible to Move Naval HQ *[UNIAN]* 82
Kiev Ready To Help Establish Ukrainian Navy *[Kiev International]* 82
Interior Minister Briefs Media on Situation *[KIYEVSKIYE VEDOMOSTI 9 Jun]* 82
Journalists' Union Attacks Ban on Crimean Correspondent *[Kiev International]* 84
Crimean Supreme Council Passes Draft Constitution *[UNIAN]* 84

Economic Issues

Foreign Banks' Entry Into Financial System Liberalized *[SEGODNYA 15 Jun]* 85
Kuchma Sets Up Commission To Control Stock Market *[UNIAN]* 85
Kuchma Speaks of Vast Gold Deposits *[Kiev International]* 85
TU Leader on Results of Miners Talks in Kiev *[GOLOS DONBASSA 2 Jun]* 85

WESTERN REGION

Belarus

Supreme Soviet To Stand Idle Until Fall Elections *[ITAR-TASS]* 87
Deputy Claims Lukashenka Seeking Dictatorship *[ITAR-TASS]* 87

Moldova

Snegur Rules Out 'Chechen Variant of Events' *[INTERFAX]* 87
Luchinskiy, Dniester Leader on Lebed's Retirement *[ITAR-TASS]* 87
Speaker Says Lebed Dismissal Not 'Fatal Event' *[INTERFAX]* 88
Lebed Opponent To Start 'Brainwashing' 14th Army *[INFOTAG]* 88
Speaker Lucinschi, New Russian Envoy Confer *[INFOTAG]* 88
Report on Dniester Party Leaders' Roundtable *[INFOTAG]* 89
PDAM Leader Denies Snegur Intends To Leave Party *[BASAPRESS]* 90

CENTRAL ASIA

Kazakhstan

Japanese Delegation Considers Investment Propects *[PANORAMA 10 Jun]* 91
PNEK Leader Sultanov on New Party's Goals *[NOVOYE POKOLENIYE 9 Jun]* 91
Plans for Privatization of Oil, Gas Sector Detailed *[IZVESTIYA]* 92
Russian, Kazakh Television Companies Sign Accord *[Almaty TV]* 92
Newspaper SOVETY KAZAKHSTANA Adopts New Name *[KAZAKHSTANSKAYA PRAVDA 13 Jun]* 92

Tajikistan

U.S. Defense Department Delegation Meets Officials *[KHOVAR]* 93
Rebel Leader Denies Involvement in Killing *[Voice of Free Tajikistan]* 93

Turkmenistan

Trial Goes Ahead Despite Russian Objections *[TRUD 15 Jun]* 93
Turkmen Region Now Using Locally-Made Electricity *[TURKMENSKAYA ISKRA 10 Jun]* 94
Resolution on Controls on Money Circulation *[TURKMENSKAYA PRAVDA 10 Jun]* 94

Uzbekistan

'Unfriendly' Afghan Accusation Protested *[NARODNOYE SLOVO 14 Jun]* 95
Karimov Defends Confidence in Country's Future *[NARODNOYE SLOVO 15 Jun]* 95

CAUCASUS

Armenia

Gas Pipeline Between Georgia, Armenia Blown Up *[Yerevan Radio]* 96
Vice President on Need for Cooperation With Russia *[ITAR-TASS]* 96
10 Opposition Parties Form 'Coordinating Council' *[ITAR-TASS]* 96
Party Chairman on PRAA Election Stance *[VREMYA 10 Jun]* 96
'Republic' Bloc Platform Presented *[RESPUBLIKA ARMENIYA 10 Jun]* 99

Azerbaijan

Report on Helsinki Talks on Nagorno-Karabakh *[Radio Rossii]* 101
Foreign Minister's Turkmenistan Visit Detailed *[Baku TV]* 101
Foreign Minister on Oil, Russia, Other Issues *[Moscow ORT]* 102

Georgia

Shevardnadze Meets CIS Interior Ministers *[ITAR-TASS]* 103
Shevardnadze, Interpol Head Discuss Drug Cooperation *[CONTACT INFORMATION AGENCY]* 104
Government Will Not Finance Turkmen Gas Supplies *[INTERFAX]* 104
EU Decision on Partnership Talks Welcomed *[SAKINFORM]* 104
Russian Takeover of Hydroelectric Plant Protested *[SAKINFORM]* 104

BALTIC STATES

Estonia

Vahi, German Delegation Discuss Cooperation *[Tallinn Radio]* 105
Vahi Confers With Opposition on Russian, EU Accords *[Tallinn Radio]* 105
Savisaar Meets French Counterpart, Israeli Premier *[Tallinn Radio]* 105

Lithuania

S'ezevicius on 'Terrorist Action' in Budennovsk *[ITAR-TASS]* 105
Trade Agreement for 1995 Signed With Romania *[ITAR-TASS]* 105

Further on Preparations for Halifax G-7 Summit

Yeltsin To Offer No Excuses on Chechnya

LD1506203995 Moscow INTERFAX in English 1907 GMT 15 Jun 95

[FBIS Transcribed Text] MOSCOW, JUNE 15 (INTERFAX) — President Yeltsin has no intention of "rendering an account" of the Chechen developments to the G7, a member of the Russian delegation to Halifax told INTERFAX Thursday.

"One way or another, the G7 summit will be sure to focus on the Chechen factor but it will be against its interests to spend too much time on that problem," the source said.

Earlier, U.S. Secretary of State Warren Christopher described the Halifax summit as "a seven plus one" event. "The Kremlin feels, however, that Secretary Christopher voiced exclusively his personal point of view now that the G7 has already become a G8 club, from the point of view of politics," the Russian source said.

Unlike last year in Naples, Russia will play a big role in the discussion of global economic problems, he pointed out, adding that the summit's agenda has been modified so as to enable the eight national leaders to focus precisely on global economic problems at lunch at Halifax.

Meanwhile, Russia will take no part in the discussion of moves to strengthen the U.S. dollar and the impact of the dollar fluctuations on the economies of the world's leading industrial nations. "These problems have little, if any, bearing on Russian interests," the source said.

For the time being Russia has no intention of working for the "accelerated" transformation of the G7 into a G8. President Yeltsin feels that the time has not yet come for the full incorporation of Russia into the club of the world's leading industrialized nations. According to the source, "the time will come when the Russian economy has completed its transition period and differs little from the economies of other industrially developed nations."

Yeltsin To Raise Terrorism Issue

LD1606110395 Moscow ITAR-TASS in English 1015 GMT 16 Jun 95

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, June 16 (ITAR-TASS) — Following the Budennovsk tragedy, Russian President Boris Yeltsin intends to raise the terrorism issue at the Group of Seven summit so that the world community would "unite to fight terrorism." This was stated by the Head of State on Friday before his departure for the Canadian city of Halifax to attend the G7 summit.

On June 14, a group of armed Dudayev militants attacked the city of Budennovsk in Stavropol Territory, gunning down several tens of civilians. The terrorists seized hundreds of hostages, including women and children at the local city hospital and continue to hold them there. Special units of Federal law and order forces and army units have been brought to the city.

Yeltsin said it is necessary that the world community be informed about the tragedy and come to realise finally who Federal troops in Chechnya have to fight against.

The President said that until the last moment he doubted whether he should go to Halifax under the current circumstances. Nevertheless he decided to attend the G7 summit, for he maintains a continuous contact with Interior Minister Viktor Yerin.

In response to a question as to how the militants managed to penetrate the city, Yeltsin said he had "several reports on that score". Naturally, appropriate organisational conclusions will be drawn, he emphasised.

Yeltsin To Focus on Economic Issues

LD1606094095 Moscow ITAR-TASS World Service in Russian 0806 GMT 16 Jun 95

[By ITAR-TASS correspondent Andrey Urban]

[FBIS Translated Text] Moscow, 16 Jun (ITAR-TASS) — At a G-7 meeting in the Canadian town of Halifax, Russian President Boris Yeltsin intends to raise questions of expanding Russia's cooperation with major international institutions.

"First and foremost, it is the question of Russia's cooperation with GATT, Cocom [Coordinating Committee for Multilateral Export Controls], major banks, and the International Monetary Fund," the president told journalists at the Moscow Vnukovo airport, from which the president's airplane leaves for Halifax in a few minutes.

Boris Yeltsin said the summit will discuss mainly economic issues. "This will be not just a political G-8," he said. "Russia will take part in solving world economic problems."

The president believes that at the present stage "the economic discussion has assumed an overwhelmingly Russian dimension." Therefore Russia's share in conducting discussions at the Halifax meeting is several times bigger than Russia's share at the last summit in Naples, Boris Yeltsin said.

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The Russian president said he is going to propose "reconstruction in the system of cooperation with leading international organizations." "Possible reorganization and reformation of the United Nations will be one of the most important issues." In addition, a possibility of financial support for peacekeeping forces will also be discussed.

"We are going to Halifax, and it is not as if we had no problems at all," Boris Yeltsin said. "However, Russia has made progress with regard to curbing inflation and the budget deficit and drawing up an anti-inflationary budget for the next year. A whole number of documents on the 1996 budget has been adopted in Russia, and I am going to advise the members of the Halifax meeting of them."

Ministry Spokesman on G-7 Partnership

LD1506161295 Moscow ITAR-TASS in English 1603 GMT 15 Jun 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, June 15 (ITAR-TASS) — Russia's stance at the forthcoming summit of the world's leading industrialised countries in Halifax will be based on its determination to pursue its national state interests through equitable mutually beneficial partnership with the leading democracies, spokesman for the Ministry of Foreign Affairs Mikhail Demurin told a briefing here today.

"Since the foregoing meeting of the Group of Eight, Russia has managed to make considerable headway in its movement towards the aims supported by our partners in Naples a year ago," Demurin said.

Demurin specified that he meant above all the strengthening of democratic institutions in Russian society and further economic reforms. The interests of Russia and the international community call for "further growth of partnership cooperation in advancing Russian reforms and in accelerating our country's integration in the world economic system."

Demurin noted in particular that time was ripe to conduct "concrete negotiations in the Paris club on a comprehensive rescheduling of the Russian debts taking into consideration the fact that Russia is a major international creditor."

Another question awaiting solution is the question of an additional provision by the International Monetary Fund of special loan rights. The Russian leadership is set to consistently develop cooperation with every member of the Group of Seven countries in such fields as liberalisation of international trade and better conditions for foreign investors, financial stabilisation and averting financial crises, and reform of the international currency and financial system.

Another major subject for discussion in Halifax is the enhancement of efforts to be made by the Eight countries in support of transformation processes in East European and Commonwealth countries.

The summit in Halifax will also touch on global problems. The Russian President intends to come up with a number of specific initiatives in the course of their discussion. These initiatives aim to step up cooperation in combatting international crime, including terrorism, drug trafficking and illegal trade in nuclear materials, as well as in tackling such problems as the alleviation of mass migration effects, Demurin said.

He added that Russia would also come forth with a proposal aimed at raising the effectiveness of actions undertaken by the Group of Eight in the long term, enabling it to foresee in good time the appearance of new threats to security of separate countries and the entire world community.

Halifax Bosnia Statement Previewed

LD1606094895 Moscow ITAR-TASS in English 0647 GMT 16 Jun 95

[FBIS Transcribed Text] HALIFAX, June 16 (ITAR-TASS) — "The urgent Halifax statement, calling for an end to the hostilities in Bosnia, does not testify to disregard for Russia's role in that region, even though President Yeltsin had yet not arrived for the G-7 meeting and, therefore, could not take part in the elaboration of the document," journalists were told in the Summit's lobbies by a high-ranking representative of the government of Canada, which is chairing the meeting.

He said that the G-7 leaders believed it was necessary to take urgent steps, since the situation in Bosnia was deteriorating most rapidly. When President Yeltsin and Russian Foreign Minister Andrey Kozyrev, who is to accompany him, join the Halifax deliberations, the representatives of all the eight nations will hold "more thorough" discussions, and will adopt a "more all-embracing document" on Bosnia, he added.

It is believed in Halifax lobbies that the urgent call to stop the hostilities in Bosnia was adopted by the G-7 leaders in light of the growing threat of a massive Moslem offensive to the north of Sarajevo. The statement was read out by Canadian Premier Jean Chretien immediately after the Thursday official dinner, which marked the beginning of the annual meeting of the British, German, Italian, Canadian, American, French, and Japanese leaders.

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According to the Prime Minister, numerous facts indicate at present that a new escalation of hostilities may erupt in Bosnia, especially in the area of Sarajevo.

"We are urging the Bosnian Serbs and the Federation of Bosnia and Herzegovina to declare an immediate moratorium on military operations in order to resume political talks as quickly as possible, because no durable solution of the problem is possible without them," the G-7 statement says.

It was learned here that French President Jacques Chirac had moved to issue such an urgent call during the dinner. After that the delicious treats were moved aside and portable computers and printers appeared on the table instead of them. The heads of state and government summoned the G-7 foreign ministers from the neighbouring hall, where they were dining, to jointly draw up the text of the document.

According to the available information, the leaders of the world's principal industrial powers had focused their attention on Bosnia before getting down to the discussion of economic issues and other items of the Halifax agenda.

Italian Prime Minister Arrives

LD1606091395 Moscow ITAR-TASS in English 0807 GMT 16 Jun 95

[Quotation marks as received]

[FBIS Transcribed Text] HALIFAX, June 16 (ITAR-TASS) — Italian Prime Minister Lamberto Dini believes the progress of economic reforms in Russia will be among the key topics of the G-7 Summit in Halifax. The Italian premier expressed this view to journalists upon his arrival here on Thursday evening.

"Russia's economic position is improving," Dini noted. "At the Halifax meeting we shall discuss with Russian President Boris Yeltsin what should be done by the G-7 nations to back up the positive shifts shaping-up in Russia and the neighbouring countries."

PRAVDA Skeptical About G-7 Overtures to Russia

MM1606093795 Moscow PRAVDA in Russian 16 Jun 95 p 3

[Article by Vitaliy Korionov: "At the Entrance to the Anteroom. On the Eve of the Halifax Summit"]

[FBIS Translated Text] The leaders of the G-7 heads of state and government meet in the Canadian city of Halifax 17 June for their latest summit.

The Kremlin too has been preparing for the Halifax summit. The regime's cherished goal is to break into the group of the "strong of this world" — and "on an equal footing" too. In other words, the G-7 should become the G-8.

There is a history to these ambitious aspirations. At a meeting with top Russian Foreign Ministry leaders President Yeltsin demanded that measures be taken to ensure that Russia is "led out of the anteroom." Admittedly, it was said in a roundabout way — who is responsible for the fact that Russia, which until quite recently had been called a "superpower," suddenly finds itself in a demeaning position in the anteroom?

It is obvious that in Halifax it will primarily be a question of what status to assign the Russian delegation. True, the G-7 has by all accounts already reached a fundamental decision on this score. The Tokyo press has reported that at the preparatory session of representatives of the heads of the G-7 in Canada in late 1994 agreement was reached that at the Halifax summit of G-7 leaders the discussion of economic matters would take place without Russian participation. The G-7 countries, NIHON KEIZAI wrote in particular, unanimously concluded that it would be "inappropriate to have a country which receives economic aid from the leading countries as a participant in the discussion of economic matters." Russia, the Japanese newspaper continued, will take part in the Halifax summit "under the same formula that was laid down at the previous Naples summit, where Russia was allowed to participate only in the political dialogue."

Admittedly, at the last minute a report appeared in the world's press that Jacques Attali, former president of the European Bank for Reconstruction and Development (EBRD), had stated in an interview with Japan's YOMIURI newspaper that Russia should be transformed into a major international organ. But, first, this was said by a "former" president and, second, the statement was so vague that it allowed a variety of interpretations.

In short, the situation has been presented to the international public in such a way as to imply that the G-7 has already decided everything and that the ideal option would be to allow the individual waiting in the anteroom into the "inner sanctum" only on the second or even third day, and then instead of a G-7, the world would behold the spectacle of a G-7.5.

But if the intention is to continue to keep Russia "discriminated against," the question then arises as to why its representatives are being allowed to attend the summit. It is here that we approach probably one of the most intriguing questions — the real economic position in the modern world and the role that is to be given in resolving this problem to Russia or, rather, to its natural resources.

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We would recall that three years ago Rio de Janeiro hosted a UN- sponsored conference on the environment and development whose importance went beyond the framework of its very cautiously formulated subject matter. The very first words spoken by conference secretary general Maurice Strong contained a serious warning — the development model hitherto employed by the group of the richest countries is exhausted, and any attempt to repeat it will only lead to the collapse of world civilization. It was, to be blunt, both a prophetic and an ominous warning....

As is clear from the information cited at the Rio conference, the richest 20 percent of the world's population account for 83 percent of world income, whereas the other 80 percent of the population account for just 17 percent — and the poorest 20 percent account for just 1.4 percent. It is not hard to imagine the social consequences of this situation. "Human history," Norwegian Prime Minister Gro Harlem Brundtland stated at the conference, "has reached a watershed where a change of policy becomes inevitable. More than a billion people unable to meet their basic needs today...are calling for a revolution."

This situation, of course, is no accident. It is a manifestation of the fear felt by the movers and shakers of the Western world — and primarily the G-7 — in the face of the march of history. The world's population has grown explosively over the past few decades — it was 2 billion in 1926, 5.6 billion in 1993, and is expected to double by 2030. Moreover, the population is growing particularly quickly in the developing countries — they could account for up to 84 percent of the world's population by 2025-2030. A colossal increase in resources will be required to feed these gigantic masses of humanity.

At whose expense? Ultimately, we must assume, mankind will find the solution to this gigantic problem, but, needless to say, by no means immediately or painlessly. It can expect difficulties and problems on the next stretch, it seems to me.

The main point is that the industrial North — that is, the G-7 — which has grown fat by plundering the colonial and dependent peoples, does not even conceive of the possibility that its population's living standards could fall even one iota. The English poet Geoffrey Chaucer briefly but pithily reflected the "lifestyle" of his class: "ready to eat, drink, and sleep all day, and to grow fat on the fruits of others' labors."

But just how do people plan to find a way out of the G-7's current position?

American moneybags propose, for instance, simply...buying Siberia. To put it briefly, it would be a good idea to recall the Oriental saying — a leopard cannot change its spots. Our era has no lack of people wishing to establish a "new world order." I would recall merely one aspect of this — in July 1994 President B. Clinton in an official document clearly set out the strategy for the United States and the other G-7 countries to get out of the vicious circle in which they found themselves because of...the Soviet Union. The essence of this strategy is diverse and involved — the imposition on our country of a cabal-like and essentially colonial status.

The range of means employed to achieve this "superb idea" is nothing new. We will mention some of the most important steps already taken by the U.S. "benefactors" on ground that has been well-manured by our reformers — the targeted destruction of decisive sectors of the Russian economy, primarily the defense industry complex; the emasculation of power structures capable of defending the fatherland's vital interests; the positioning of U.S. "brains" in key central administrative components ("Sachs-style castration"); the shaping of a leadership apparatus at the center and in the regions along the lines of "What can we do for you, sir?"; the introduction of Western — predominantly American, of course — capital into decisive economic sectors (this is a goal that Mr. Chubays's ubiquitous department is working on with particular relish); and the establishment of de facto control over leading Russian science sectors. The cover may look Russian, but if you look inside, it won't be ours at all....

The main object of the desires of the Kremlin's newly acquired "partners" is Russia's natural resources, whose seizure would to an enormous extent solve the G-7's problems.

Back at the end of the last century, in describing the West's plans in respect of Russia, the well-known Russian historian P.N. Milyukov noted: "The idea of exploiting Russia as a colony for the sake of its resources and Europe's need of raw materials is now being touted in an increasingly crude and blatant form.... And it is hard to find reasons why the Western countries would suddenly abandon their age-old intentions and desires."

But they have no intention of abandoning those ideas! I recall the October 1951 special issue of the U.S. COLLIERS magazine, on whose cover an American oracle in uniform proudly proclaimed plans to rout and occupy Russia — Soviet plants would be sold or leased to foreign enterprises, and Russia would go through a turbulent month of democracy.

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Still blinking like a green traffic light before their fevered gaze are the following figures — Russia today has 30 percent of world reserves of coal, 40 percent of the world's oil, 45 percent of its gas, 44 percent of its iron ores, 30 percent of world production of precious stones.... And this in a country where the government's role is essentially minimal, neglect still prevails over huge areas of the state, and the functions of administration representatives have effectively been reduced to acting as "persuaders." In actual fact the authorities are a mafia that is prepared to sell not only its motherland but its own mother for "greenbacks"! From the G-7 standpoint it would be simply absurd not to take advantage of this situation to solve its own problems — all the more so as on the eve of the opening of the sessions Moscow has shown renewed readiness to toe the notorious Western line of "partnership."

So will the West, which has so much experience in this kind of affair, really miss its chance this time round? I do not think so. It will not miss its chance! Clearly, it is time to hold the door to the anteroom ajar for Russia, to reverentially admit the waiting party, and to give the guest half a seat. Let him spend a few hours in select company!

IZVESTIYA: No Economic Breakthroughs Expected

MM1506193995 Moscow IZVESTIYA in Russian 16 Jun 95 pp 1, 3

[Report by Vladimir Nadein: "Yeltsin Will Have a Harder Time in Halifax Than He Had a Year Ago in Naples"]

[FBIS Translated Text] Washington — Boris Yeltsin will go to Halifax to represent a country which in the past year has not acquired anything but which has lost a great deal of the little it possessed. A year after Naples, where there were still things which could have been promised to him, the situation has drastically changed. In Halifax the Russian president is still in no position to make demands, but neither is he any longer in a position to beg. The allocation of a major IMF credit can be attributed only to terror in the face of Russian chaos. The $6.8 billion, obtained on terms of humiliating monthly monitoring, have nothing to do with the actual economy.

Dudayev's supporters undoubtedly timed their raid on Budennovsk to coincide with Halifax. The U.S. Congress landed another blow below Yeltsin's belt by effectively suspending funding under the Nunn-Lugar program. What Yeltsin and Kozyrev were warning of for six months happened. Everybody, including U.S. President Bill Clinton, whom it would be difficult to accuse of disloyalty, was warning of it. He backed his Russian colleague to his last chip. It is quite likely that this chip has already been played.

The West did not take seriously the aspirations for full-blooded participation in the conference of the world's seven most influential politicians. Moreover, U.S. Secretary of State Warren Christopher has already defined the prospects for next year. He said that "with his Chechen policy, President Yeltsin has harmed Russia's chances" of pulling up its chair at the G-7's oval table.

Incidentally, the table will be the same in Halifax as in Naples. Canadian Premier Jean Chretien has borrowed it from the Italians. Chretien, the conference host, is behaving unprecedentedly tight-fistedly. There will be no festivals. The Canadian budget is wilting under a sizable deficit and the government, without standing on ceremony, has asked corporations for money. The biggest contribution was made by the Chevrolet automobile firm, and for this reason the conference has already been nicknamed the "Chevrolet summit."

This year Chevrolet's affairs have been going quite well. At any rate, much better than most governments' affairs. The U.S. Congress dealt its President a severe blow right on the eve of the conference. The Republicans are ruthlessly exploiting Americans' passionate desire to shake off at least part of the tax burden following the end of the Cold War. Even before that, Congress decided to completely block the already halved appropriations for the Nunn-Lugar program. Belarus, Kazakhstan, and Ukraine suffered with Russia. Of course, the main target of the aggressive Republican Congress is not Belarus or Kazakhstan, and not even Yeltsin's Kremlin, but President Clinton himself. It was his proposals that Congress torpedoed by opening the way for full funding of production of "invisible" B-2 Stealth bombers, although the White House had suggested that this is where savings could be made. To spite him the military budget reached $267.3 billion — $9.7 billion more than the administration had requested.

The formal impetus for this sharp movement, which could halt or even set back global nuclear missile disarmament, was provided by the deal on the delivery of Russian reactors to Iran and projects on improving bacteriological weapons which, according to U.S. reports, are still continuing in Russia.

But Congress would not have dared to do this after August 1991. The U.S. public's attitude toward the transformations in Russia was completely different. But ever since Chechnya — go right ahead.

Time will tell whether perspicacity, or conversely recklessness, has prompted the saving of the essentially tri-

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fling sum of $171 million. There can be hardly any doubt that the cavalier breaking of its pledges will not so much sadden as enrage Yeltsin. His stance on Bosnia could acquire the features of confrontation, which, incidentally, will not overly distress Republicans. Essentially they could not give a damn about Clinton's diplomatic difficulties, and keeping U.S. troops as far away as possible from Bosnia is the main plank of their election platform.

Yet the main difficulties of the conference in Halifax have little to do with Bosnia and Chechnya. The G-7 are burdened by other concerns. President Clinton believes that the most important international institutions set up after World War II need a thorough review. This applies primarily to the World Bank, the IMF, and the United Nations.

As regards the first two, Russia's opinion will be heeded with the same attention as the viewpoints of Zambia and Bangladesh.

But this does not actually provide grounds for grievances. No breakthroughs on the international economic cooperation front are expected. Clinton will ask his colleagues to "study" the problem of how to avert future crises like the Mexican crisis. How to ensure that a particular national economy, apparently flourishing and healthy, does not fall into an abyss of sudden calamity merely because private investors suddenly lose confidence in its shares and state bonds. Such inexplicable failures could trigger a world economic recession.

Even if the G-7 consisted of utterly and completely like-minded people it would not be easy to find a prescription for salvation. But there is not all that much unanimity in the G-7. Those who believed it necessary to rescue Mexico and those (apart from Germany) who considered it futile and ruinous will be sitting at the same table. The United States, which is on the brink of declaring a trade war on Japan, and Japan itself, firmly intent on not giving in to threats, will be at the same table. Countries which appreciate the importance of coordinating currency policies but which do not want to forego the advantages of an artificially weakened dollar or high employment will be at the same table.

At the moment Halifax, one of Canada's remote and comparatively poor cities, is rushing to cash in on the advantages of being the world's capital for one day. Sheepdogs capable of sniffing out explosives under seven layers of plastic sheeting dart in and out of attics and basements. Frogmen dive under piers and quays, preventing any incursions by underwater terrorists. For a few days 7,000 journalists will enliven the provincial quiet, and hotel, bar, and restaurant owners are counting on their expense accounts like manna from heaven. In Halifax, a city of 130,000 inhabitants, unemployment is running at 20 percent of the adult population. The surrounding waters, which have teemed with cod and flatfish for centuries, have for a long time failed to feed local fishermen to satiety — in the Canadian understanding of satiety, at any rate.

It is an irony of global economics that, in this far from flourishing city, leaders of world capitalism will try to collect funds in order to hand out new credits. It is proposed that the 11 richest countries, including Saudi Arabia, will collect $29 billion in order to double the IMF's so-called line of credit. How much of this sum will come Russia's way? Will anything come its way? And most importantly, will there be a need for this in future?

Recipes To Reform Bretton Woods System Highlighted

MK1506105095 Moscow KOMMERSANT-DAILY in Russian 15 Jun 95 p 4

[Report by Natalya Kalashnikova under the "G-7 Halifax Summit" rubric: "A Club of Rational Egotists"]

[FBIS Translated Excerpt] [Passage omitted] Certain skeptics assert that this time around the G-7 is embarking on an enterprise that is beyond its strength, namely, giving its blessing to a reform of international finance institutions. No breakthroughs will come of it, they carp, nor can there be any new Bretton Woods with its pioneering ideas of forming a world currency system at this stage anyway. They allege that the partners simply can't agree — the dollar is leaping back and forth, tempting even the strongest economies, such as Japan's; the state of the international debt problem still leaves much to be desired; never-ending trade disputes have a negative effect on financial balance. Skeptical American experts have even sent a laconic, but essentially fairly stinging message to the administration. It boils down to the fact that there is no need for discussion as to whether or not reform should be carried out in Halifax whatsoever. What is needed is to ask the IMF leadership just three questions. How will the IMF be able to prevent such financial cataclysms as the one that occurred in Mexico? Does the IMF currently see any new ways of increasing the effectiveness of aid to the poorest countries? What role does the IMF assign to itself and others of its ilk in such areas as environmental protection, the struggle against economic crime, social problems, and political instability? Let IMF chief Camdessus try to answer them, they argue, then it will become clear that reform of financial institutions is really long overdue!

It seems as if Michel Camdessus had anticipated that questions like these would be raised, so he gave some

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answers beforehand: During his recent meeting with Jacques Chirac he said, in particular, that he would support the initiative of selling a part of the IMF's gold reserve in order to support the poorest countries — provided, however, that the G-7 does not remain aloof and give the IMF financial support. It should be recalled that the IMF itself, having passed a relevant amendment to its rules in 1978, deprived gold of its fundamental role in the international currency system, that is, demonetized it. Therefore, the fund had no reason to keep this gold out of circulation. This is precisely what was decided in the late 1970's: One-sixth of its gold was returned to member countries, and another one-sixth was sold in favor of the poor. The sale of 25 million ounces dragged from 1976 to 1980. A new sale, however, under the fund's rules, may only be authorized by a qualified majority of the member countries (85 percent). Assistance to the poor is a noble cause, of course, but gold remains gold however much you might demonetize it. This will be confirmed by any head of any national bank, even in the most enlightened monetarist country. As a matter of fact, the gold sold by the IMF at the time replenished the assets of Swiss and French banks. So, the IMF will find it hard to part with this burden. [passage omitted]

The G-7 has already offered recipes to reform the IMF. In particular, its draft communique on economic matters, which has been prematurely made public, recommends that the IMF set deadlines for publishing key economic and financial data; devise a procedure for regularly and publicly categorizing countries in economic and financial terms; make sure that IMF member countries promptly supply complete information on their economic and financial performance. In case this early-warning system does not work, the G-7 leaders are ready to offer their mechanism of anti-crisis emergency measures, particularly, to secure prompt access to financial resources of finance organizations, on a larger scale at that. In order to underpin this mechanism, the G-7 recommends doubling the fund of the General Borrowing Agreements, which currently has $29 billion, while giving the IMF the right to increase its financial resources by borrowing money from 10 industrial developed countries and Saudi Arabia. In other words, it proposes that the range of investors be widened. [passage omitted]

Generally speaking, it is said that the significance of the "Rambouillet club" is that it saves the world from egotism, political and economic alike, where everyone stands for oneself, a sin that is particularly dangerous when the strong succumb to it. But it is also said that the G-7 itself has not yet fully realized or used this significance. What line of conduct will the great choose at the foothill of a small mountain called Halifax? Time will tell.

TRUD Considers G-7 Agenda, Related Issues

MM1606120095 Moscow TRUD in Russian 16 Jun 95 p 7

[Review of the week's news prepared by Erik Alekseyev: "Panorama of the Week"]

[FBIS Translated Text] "Seven and one-half" is how someone dubbed the summit meeting which is to take place in the Canadian city of Halifax 15-17 June. "Seven" is the state and government heads of such leading world countries as Britain, Germany, Italy, Canada, the United States, France, and Japan. The "and one-half" is Russian Federation President Boris Yeltsin's participation in the summit from day two of the "seven's" work, during the discussion of political matters. "President Yeltsin will participate in the sessions when the economic debate is over," Canadian Premier Jean Chretien explained.

Here is our Washington correspondent Vissarion Sisnev's report on the Halifax summit:

There is something symbolic in the fact that the latest meeting of the international club of the seven most powerful industrial countries is taking place in the Canadian province of Nova Scotia, whose continued existence is due to regular handouts from the state treasury. It appears that Prime Minister Jean Chretien decided to remind the other participants that there are unresolved economic tasks not only in the Third World but in the countries of the "seven" as well. Not for nothing did he set a new tone for this summit by saying that on this occasion it will take place at Chevrolet level. That is, don't expect, gentlemen, to be driving around in Cadillacs in Canada and generally leading a life of luxury. Chretien also asked all the partners to cut their delegations.

The agenda for Halifax — where the discussions will take place in the building of a law firm (they could not find another suitable building in a town with a population of 114,000) which was hastily vacated and overhauled — was predetermined by President Clinton when he called for a critical review of the status of international institutions such as the IMF, the International Bank for Reconstruction and Development, and the United Nations itself.

Judging by the draft final communique, which someone "presented" to the newspaper THE WASHINGTON POST in advance, a great deal of attention will be paid to the numerous political problems. The authors assume that the "seven" will come out strongly in support of

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human rights as such, and UN peacekeeping actions like those in Bosnia. There will also be a call for stronger nuclear safety measures in such countries as Ukraine, where unsafe reactors , threatening a new Chernobyl, are being operated. It appears there are no particular differences either on the "Russian question." It is clear from all that is known in Washington at the moment that Russia will again fail to get into this club whose founders condemn what is happening in Chechnya. [Sisnev ends]

Canadian Premier Jean Chretien has already made it known that when he meets with Yeltsin he will raise the question of Russia's actions in Chechnya. "As host to the meeting of the 'eight'," he said, "I will ensure that a number of other leaders also voice their concern" (over Chechnya).

The European Union has again again expressed its "concern" in no uncertain terms, not just in words but through actions. On 12 June the EU Council, at foreign ministerial level, once again decided to refrain from signing a provisional agreement on trade and partnership with Russia. Why? Moscow has failed to meet all the conditions that were set on ending the war in Chechnya.

It is very interesting that literally the next day the EU Council instructed the European Commission to begin talks with Croatia regarding the signing of an agreement on trade and cooperation. Yet on 8 June Joe Sills, the UN secretary general's official spokesman, had said that the Croatian army was directly targeting UN peacekeeping forces stationed in Serb Krajina....

At the same time, at a news conference in Washington U.S. Secretary of State W. Christopher announced that the problems of Bosnia will be discussed during the "political day" at the meeting in Halifax. He then added: "I do not think the summit will lead to the elaboration of any new position."

French Foreign Minister Herve de Charrette has a somewhat different view. He attaches special importance to the discussion in Halifax of events in Bosnia. And France, according to him, sets three targets.

First, the unconditional release of the "blue helmets" still held hostage by the Bosnian Serbs must be secured.

Second, the minister notes, it is necessary to ensure the safety of UN forces. To that end, as is known, the first subunits of the newly formed elite rapid reaction force are now arriving, although there was no UN Security Council decision on this until the last moment.

Third, the minister stresses, a mighty boost must be given to the process of a diplomatic settlement of the Bosnian conflict.

Unless you are lazy you do not talk today (not aloud, anyway) about the possibility of resolving the Bosnian crisis by force but only by political and diplomatic methods. The only exception, perhaps, is the U.S. Congress. The other day the House of Representatives again voted for a unilateral lifting by the United States of the international embargo on deliveries of weapons to the government of (Muslim) Bosnia and Herzegovina. Essentially it was a vote for a forcible "solution" of the conflict. But if the others talk of the possibility of a political and diplomatic solution only, why is there no one who will actually push the process in that direction by unabashedly making some concrete, constructive proposals that all the warring sides might discuss without a fight?

But while the ideas about peace flit around without finding proper expression, Colonel Andrey Demurenko, chief of staff of the UN "Sarajevo" sector, announces that major Bosnian Government forces are massing north of Sarajevo. According to UN observers, they number around 30,000-40,000 men, the most powerful military grouping of Muslims in all 38 months of the siege of Sarajevo.

France marked the opening of the meeting of the "seven" in a distinctive way. The proposed summit agenda includes such questions as nuclear contraband and the "nuclear ambitions" of Iran. Yet France, on the threshold of the summit, announced that it is resuming nuclear tests on the Pacific Ocean atoll of Mururoa. The series of eight planned underground explosions will finish at the end of May 1996. The question of the complete and general cessation of nuclear tests is to be resolved by the end of the same year.

Probably the strongest reaction to this decision, understandably, has been from New Zealand and Australia. As well as protesting, both countries announced that they were severing links with France in the defense sphere. The Chinese representative at the UN conference on disarmament taking place in the Japanese city of Nagasaki stated the PRC's intention to continue nuclear tests right up to the expected conclusion in 1996 of a total test-ban treaty.

In Halifax Japan intends to demand that France and China stop nuclear tests.

At a closed conference in the United States at the beginning of June, NEWSWEEK reports, representatives of the Pentagon and U.S. Energy Department also proposed holding tests of nuclear weapons already stockpiled in order to ascertain their reliability....

Everyone is fighting for something in relation to the nuclear peril. But everyone evidently has his own "special" interests which do not correspond to the interests of others.

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ITAR-TASS Carries Press Review for 16 Jun

LD1606081495 Moscow ITAR-TASS in English 0715 GMT 16 Jun 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 16 (ITAR-TASS) — All Moscow-based Russian newspapers front-page reports on the sanguinary developments in Budennovsk, a small town in Stavropol Territory, which has been seized by Chechen militants.

KOMSOMOLSKAYA PRAVDA states that "Budennovsk is a hostage town. The Chechen terrorists have propelled the war 150 km deep into Russia".

TRUD believes that "Budennovsk has found itself to be Chechnya's hostage".

IZVESTIYA notes that "special security services grow in number in Russia but terrorists still seize towns".

KRASNAYA ZVEZDA, newspaper of the Defence Ministry, points out that "Dudayev men's rampaging in Budennovsk is a formidable challenge to the whole of Russia".

ROSSIYSKIYE VESTI, which is close to Presidential circles, maintains that the actions of Dudayev militants are "the terrorists' agony".

ROSSIYSKAYA GAZETA points out meanwhile that "negotiations are under way in Budennovsk and the situation in the town is being closely monitored by the President and the Government".

RABOCHAYA TRIBUNA, while describing the developments as "Russia's nightmare", asks a question how a gang of armed-to-the-teeth bandits managed to penetrate Budennovsk and why does the 'military border' with Chechnya, contrary to assurances by commanders, turned out to have holes. "What do our great strategists think when they hear Dudayev's formidable threats?"

KOMSOMOLSKAYA PRAVDA tries to give answers to these questions. The newspaper believes that the developments signify "a transfer of the civil war to the territory of Russia, which Dudayev has spoken of for so long".

But at the same time, the newspaper observes, "Dudayev men have lost everything which they gained in the information war". The newspaper fears that "manifestations of popular wrath" with regard to Caucasians are likely, after which, as the newspaper put it, "it will be posisble to tighten screws".

Newspapers also highlight the Group of Seven summit which has opened in the Canadian city of Halifax.

IZVESTIYA emphasises that Russian President "Boris Yeltsin will arrive in Halifax to represent a country which has has lost much of what it had rather than gain anything over the past year."

"One year after the Naples summit, where Yeltsin still had what to promise, the situation has radically changed. In Halifax, the Russian President has nothing to demand yet and has nothing to ask any longer. Therefore the Kremlin does not expect surprises from the G7 summit.

KRASNAYA ZVEZDA is of the opinion that the Halifax summit will bring nothing new to Russia.

In PRAVDA, Vitaliy Korionov asks "why is Russia still kept in the anteroom", without being given the right to be an equal participant in a meeting of world leaders. An answer to this question, as it follows from Korionov's reasoning, should be sought in the selfish interests of the West which seeks to keep Russia in the position of a provider of raw materials for the world economy.

The press points out with "satisfaction" that Russia's Federation Council has finally adopted a law on the election of deputies to the State Duma.

ROSSIYSKIE VESTI, summing up the results of the keen debate in the Federation Council on this law, concludes that "elections to the Duma will be held on schedule".

ROSSIYSKAYA GAZETA makes a political forecast. It "reviews forces in the run-up to the elections". Having analysed the "social make-up" of the future electorate, the writer of an article to this effect, Vladimir Rimskiy, Staff Member of the Centre for Applied Political Studies, arrives at a conclusion that "the best and, most importantly, predictable results will be achieved by those political parties and movements which will be able to ensure effective work with the voters directly at the places of their residence".

Jan-Apr Average GDP Down 11 Percent on 1994

MM1506110795 Moscow IZVESTIYA in Russian (Financial IZVESTIYA section) 15 Jun 95 p i

[PRAYM report: "Total Commonwealth GDP Down 11 Percent"]

[FBIS Translated Text] Average GDP in the CIS in January-April 1995 was 11 percent down on the same period of 1994. Total industrial output, according to figures from the CIS Statistics Committee, fell by 8.3 percent over the review period, while industrial producer prices were up 530 percent. Compared with March 1995 total industrial output in April for the Commonwealth as a whole was down 5 percent, while industrial producer prices were up 15 percent. In January-April 1995 prices for consumer goods increased by 590 percent for the CIS as a whole compared with the same period of 1994.

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Bosnian Serbs Reportedly Accept Duma Peace Plan

LD1506202195 Moscow INTERFAX in English 1849 GMT 15 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (Interfax) — The Bosnian Serb parliament on Wednesday night reportedly accepted the Russian State Duma's peace plan for former Yugoslavia, sources close to President Yeltsin's staff have said.

The lower house of the Russian parliament on June 9 adopted a declaration on Russia's position at the current phase of the Balkan crisis and Bosnian settlement initiatives. The declaration contains a plan for ending bloodshed in Bosnia-Herzgovina. One of its key elements is the Bosnian Serbs' pledge to refrain from any hostile actions against international peacekeepers.

A high-ranking official told Interfax, on condition of anonymity, that most democratically and patriotically-minded members of President Yeltsin's staff welcomed the news that the Bosnian Serbs had accepted the Duma's peace plan.

Ministry on Threat of Escalation in Bosnia

LD1506143195 Moscow ITAR-TASS in English 1352 GMT 15 Jun 95

[By Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, June 15 (Itar-Tass) — Moscow is increasingly concerned about the multiplying signs of a real threat of a slide-down to full-scale armed actions in Bosnia and Croatia, Russian Foreign Ministry spokesman Mikhail Demurin declared today.

"The return of the crisis to a phase in which solutions are sought from the positions of strength is fraught with new bloodshed and suffering for non-combatants, the withdrawal of the U.N. peacekeepers and even the spread of the conflict beyond its present boundaries," Demurin said.

The Russian Ministry of Foreign Affairs is seriously urging the conflicting parties to renounce any attempts at solving their problems on the battle field instead of the negotiating table, he said. Any other approach should be resolutely rebuffed by the international community, the spokesman said. Russia, whenever necessary, will actively work towards it as a permanent member of the U.N. Security Council, he said.

Russia supports U.N. peacekeeping forces in Bosnia, Croatia and Macedonia. "We resolutely deplore all cases of detention, attacks, and other unlawful actions with regard to U.N. personnel," he stressed.

As a state which maintains a military contingent as part of the peacekeeping forces in Croatia and Bosnia, Russia is interested no less than other party in suppressing any aggressive actions against the peacekeeping personnel, regardless of who is the aggressor, the spokesman said.

Along with this the strengthening of the UNPROFOR ability to protect the life and safety of its peacekeepers should by no means turn the U.N. forces into a party to the conflict, the spokesman stressed.

All activity of U.N. forces in the former Yugoslavia should be based on maintaining their impartial peacemaking character and on the available decision-making procedures in which the United Nations have the decisive say, the Russian spokesman said.

The spokesman called "absolutely inadmissible" the gross violations of the arms supply embargo imposed by a U.N. Security Council resolution on all republics located on the territory of the former Yugoslavia. Such breaches of the embargo facilitate escalation of the conflict and breed illusions that the conflict can be solved by armed force, he said.

According to Russia, it is now necessary to make additional efforts in order to impart a new effective impulse to the process of settlement. In this context, the problem of suspending and lifting the sanctions against Belgrade is acquiring a key importance, the spokesman said.

Bosnia Sides Urged To Eschew Force

MM1606112995 Moscow ROSSIYSKIYE VESTI in Russian 16 Jun 95 p 2

[Unattributed report under "At the Russian Federation Foreign Ministry" rubric: "Political Methods Alone Are Needed"]

[FBIS Translated Text] The development of the situation in the former Yugoslavia is causing ever greater concern in Moscow. There are increasing signs of a real threat of a slide toward a full-scale military confrontation both in Bosnia and in Croatia. The return of the crisis to the direction of solutions from a position of strength could entail more heavy bloodshed and suffering for the civilian population, the departure of the UN peacekeepers, and even the conflict's spread beyond its present confines.

In all earnestness we once again urge all the sides in the conflict to renounce any attempts to resolve their problems on the battlefield rather than around the negotiating table. The opportunities for this are never exhausted.

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Any other approach must meet with a resolute rebuff from the international community. Russia will, if necessary, actively strive for this, above all as a permanent member of the UN Security Council.

Russia supports the UN peace forces in Bosnia, Croatia, and Macedonia. The peacekeepers — courageous, selfless people — are helping to contain the conflict, preventing its spread, ensuring the delivery of humanitarian aid to the suffering population, and creating conditions for peace efforts.

We resolutely condemn all instances of detention, attacks, and other unlawful actions against UN personnel. As a state having military contingents as part of the peacekeeping forces in Croatia and Bosnia, Russia is no less interested than others in stopping perfidious actions against peacekeeping personnel, no matter who perpetrates them.

At the same time the strengthening of UNPROFOR's ability to protect the peacekeepers' lives and safety must in no circumstances turn the UN forces into a party to the conflict.

All the UN forces' activity in the former Yugoslavia must be based on preserving their impartial peacekeeping nature and the present decisionmaking procedures, when the United Nations has the decisive say.

The current gross violations of the embargo on arms deliveries, which operates against all the republics on the territory of the former Yugoslavia by decision of the UN Security Council, are absolutely inadmissible. Such actions feed the conflict and sow illusions with regard to the possibility of resolving it by military means. The interests of a settlement require the Security Council to take real steps to end the scornful attitude toward its decision.

As agreed at the ministerial meeting of the Contact Group in The Hague, Russia believes that additional efforts must now be made to give an effective new boost to the settlement process. The question of suspending and lifting the sanctions against Belgrade is becoming the key question in this context.

We will continue to actively promote the achievement of a political settlement of the conflict in the former Yugoslavia together with our partners in the UN Security Council, the International Contact Group, and all who advocate peace, not war.

UN Representative Seeks Statement on Bosnia

LD1606085295 Moscow ITAR-TASS World Service in Russian 0551 GMT 16 Jun 95

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Text] United Nations, 16 Jun (ITAR-TASS) — In connection with the start of the Bosnian Muslims' broad offensive near Sarajevo, the Russian Federation has called on the UN Security Council to make an official statement on the immediate cessation of such actions and the concluding of an agreement to cease fire and to halt all hostilities in Bosnia-Herzegovina.

The draft statement submitted by the Russian delegation to the Security Council expressed serious concern at the UN Secretariat's reports of the start of broad offensive actions undertaken by the Bosnian army near Sarajevo. In this respect, it pointed to the destructive consequences of any further destabilization of the situation. It appealed to the sides in the Bosnian conflict to refrain from actions likely to lead to a further escalation of the conflict and to conclude immediately an agreement on ceasing fire and halting all hostilities in Bosnia and Hercegoina.

The members of the Security Council, however, said that they needed time to study the Russian proposal and asked for the issue to be postponed until 16 June. But in view of the extremely urgent nature of the situation, the British delegation asked the chairman of the Security Council to make a statement for the press on the basis of the draft statement proposed by the Russian Federation and it was read out on Thursday. The Russian delegation said that it agreed to this provided that the consideration of its proposal to adopt an official Security Council statement on the offensive by Bosnian Muslims near Sarajevo was continued at the consultative session of the Council.

Diplomat on Reasons for Bosnia Vote Abstention

LD1606095495 Moscow ITAR-TASS in English 0923 GMT 16 Jun 95

[By Boris Sitnikov]

[FBIS Transcribed Text] UNITED NATIONS, June 16 (Itar-Tass) — The U.N. Security Council, at a meeting on Friday, passed a resolution giving the green light to sending a Multinational Rapid-Reaction Force (MRRF) to Bosnia. The resolution, co-sponsored by France and Britain, was carried by 13 votes, with Russia and China abstaining.

The sanction for the dispatch of a qualitatively new 12,500-strong strike military group to Bosnia was given

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under the pretext of a mere increase in the overall strength of the peacekeeping forces in the former Yugoslavia from 45,000 to more than 57,000. The Council made a proviso that matters concerning the financing of the additional military force are to be agreed upon later.

Speaking on reasons for abstention, Sergey Lavrov, Permanent Representative of the Russian Federation at the U.N., said the Russian delegation was abstaining from voting, for the resolution does not contain guarantees against attempts to use the MRRF to draw the UNPROFOR in Bosnia into the war.

Lavrov drew attention to the fact that the resolution did not reflect a number of amendments which were introduced by Russia and which were aimed at preventing the action of the MRRF against any of the sides involved in the conflict as well as at preventing breaches of the embargo on the supply of arms to the former Yugoslavia. The Russian Representative also voiced concern over the haste with which the resolution was being passed.

Army Daily Views UN Forces' Role in Bosnia

MM1606135195 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 95 p 3

[Article by Mikhail Pogorelyy: "Peacemakers, Peacekeepers, International Gendarmes, or Simply Shock-Absorbers?"]

[FBIS Translated Text] For the umpteenth time in the past few years world public attention has focused on the "blue helmets," the UN peacekeeping forces. This time in connection with the unpredicted turn of events in Bosnia and the Serbs' capture of over 300 UN servicemen as hostages. Actually there are no grounds for calling this situation entirely unpredicted.

Here we must take into account the obvious fact that the practice which has now taken shape of using forces to maintain and ensure peace is to a considerable extent based on the initial hostage role of the "blue helmets" subunits. After all, a company or battalion or even several battalions under the UN blue flag armed only with light firearms and, moreover, without the right to use them except in self defense do not have the military potential which could halt the warring sides. Consequently the peacemakers' main "weapon" is the authority of the powers which sent them operating effectively in combination with the warring sides' sincere desire for peace or at least a truce.

The potential of the main subunits could be strengthened by the inevitability of retribution from the powers which sent them into the conflict zone if there is an attack on the "blue helmets." That is the view, in particular, of the NATO states. But it is not supported by many other UN members, including Russia.

Yet the impossibility of the peacemakers exerting real influence on the development of events, including preventing their transition into an active combat phase, if the sides involved in the conflict have no desire for peace (the situation in Bosnia and Herzegovina today is a classic example) cancels out the effect of the use of the "blue helmets" and casts great doubt on the very idea of peacemaking as an effective means of ending or preventing war or armed conflicts. What then is to be done in such situations?

Several options for resolving the problem are suggested In particular two of these were proclaimed with regard to the Bosnian situation by, respectively, U.S. Secretary of State Warren Christopher and British Prime Minister John Major. The first option is to give the collective suicides full freedom of action since it is virtually impossible to stop those who want to destroy each other. The second option is to ensure the protection of the peacekeepers with "real" combat formations. The British were powerfully supported by France and the Netherlands. Although understandably this decision is also far from the best way out. Keeping bodyguards attached to each peacemaker is simply absurd and stupid and the point of the "blue helmets'" activity is actually lost here.

One more option for a way out of the deadlock which arises in peacekeeping is suggested by UN Secretary General Butrus Butrus Ghali. Three years ago now he put forward the idea of a "good deed with big fists" — the creation of permanent military formations of the community of nations, something like a multinational rapid deployment corps subordinate to the UN headquarters. These formations could, as the secretary general sees it, promptly and effectively influence conflicts while they are still emerging eradicating the weeds of ethnic and international enmity (it is this enmity which in the overwhelming majority of cases lies at the basis of present local and domestic, civil, wars).

In fact such detachments of international gendarme appeasers were created during the war against Saddam Husayn's regime and during the attempts to halt intertribal fighting in Somalia and during the restoration of Aristide's regime in Haiti. In each episode, having received from the United Nations (which remains "armless," without its own instruments for influencing events) the relevant mandate for the right to take action in its name, multinational forces were created on the basis of U.S. units. It is true that here there are problems. The Americans are categorically refusing to transfer to UN jurisdiction their own troops which are of

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now are perhaps the most combat-ready and best provided materially particularly since their talentless use as peacekeepers in Somalia. And other sovereign powers are increasingly frequently refusing to be constantly in secondary roles, subordinate to the Washington political and military strategists.

Which option for actions should the peacekeepers in the former Yugoslavia choose? After all, even if the "blue helmets" do not become combatants themselves then the forces allocated to defend, free, and guard them and ensure their evacuation — be they NATO troops as a whole or a Franco-British-Dutch expeditionary corps or some other multinational contingent — will probably be more kindling on the constantly smoldering fire. The UN troops will hardly be able to leave the land of the former united Yugoslavia. First, the world community will then have to acknowledge it is powerless to settle such conflicts. Second, Moscow will hardly agree to this (although its position, which was not consistent before, has now become very diffuse and vague) and Russia is a permanent member of the Security Council with the right of veto. Third, there are powerful and obviously to a considerable extent justified fears of a substantial strengthening of Muslim extremist forces in the Balkans. Finally, it is here that contenders for the role of new regional leaders of Europe, both individual and collective, have clashed and they will not leave the stage until it is finally made clear who is "master" in the new Europe

This latter circumstance is particularly tragic. And it is possible that it is this which lies at the basis of the failures of the UN peacekeeping forces in the former Yugoslavia. After all, the practical result is that in Bosnia or Croatia few people are sincerely concerned for the noble principles of keeping the peace or defending the civilian population. Essentially it is a case of a trial of strength by individual candidates for the post of leader and the coalitions which are emerging. Here Britain together with France is opposing Germany and Russia is opposing NATO as a whole but in alliance with Britain or Germany or America. The United States, incidentally, is also not averse to retaining the role of first fiddle in Europe. Here the tasks of actual peacekeeping are recalled mostly when one state or another raises the question of withdrawing its contingent, thus testing the strength of the United Nations itself and its safety forces (in the former Yugoslavia) and the ideas of international monitoring of the conservation of stability and law and order in the world.

Meanwhile the specific executors of these ideas — the "blue helmets" — are obliged to playing the prosaic role of "placing themselves between the fist and the fact which the fist is striking" as the British newspaper THE INDEPENDENT put it figuratively. Is there any point in reviewing the peacekeeping forces' status? Probably. But giving them the right to act as the commander sees fit in accordance with the situation? Or does the way out lie in the partial combination of present p[peacekeeping ideas with the raising of the "blue helmets'" status and the intensification of their fighting spirit? Although here too in response accusations of interventionism, of interference in internal affairs, will probably be heard. But will those who consider themselves civilized really be able to observe this calmly? Ultimately it is the "blue helmets'" pacifying influence which has made it possible to reduce the number of victims in Bosnia from 130,000 in 1992 to 2,600 in 1994....

That the strategy of peacekeeping which in its present form has exhausted its potential, like the principles for forming the international peacekeeping forces and the methods of using them is in need of emergency and profound review is obvious. The author has no ready formulas (or else he would be sitting not behind an editor's desk but at least at the UN headquarters). But these formulas, given resolve and desire, can and must be found by the joint efforts of the UN states.

Delivery of Nuclear Substances to U.S. May End

LD1606082995 Moscow INTERFAX in English 0026 GMT 16 Jun 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 15 (Interfax) — Russia may stop delivery of nuclear substances to the U.S. because Washington insists on considerably lowering the price for Russian uranium, Russian Nuclear Energy Minister Viktor Mikhaylov told Interfax in an interview today.

He said Russia had delivered to the U.S. the first 30 [metric] tonnes of low-enriched uranium totally worth about $24 million. Mikhaylov said Russia was going to deliver to the U.S. uranium worth $150 million by the end of this year.

Russia is selling uranium to the U.S. in line with the agreement signed by the presidents of the two countries in 1992. Under the agreement Russia is to recycle 500 tonnes of weapon-grade plutonium from dismantled nuclear warheads within 20 years.

Mikhaylov said that when weapon-grade uranium is recycled into fuel for nuclear plants special "natural components" are used for which the U.S. refuses to pay.

He said Russia wanted to be paid $800 per one kilogram of low-enriched uranium while the U.S. was insisting on about $600 per one kilogram.

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Mikhaylov said the price had been set by the two countries' presidents in 1992 and could not be reviewed.

He said if Washington did not change its position the Nuclear Energy Ministry would propose that the contract be annulled.

Congress Antimissile Vote May Affect ABM Treaty

MK1606104095 Moscow KOMMERSANT-DAILY in Russian 16 Jun 95 p 4

[Report by Georgiy Bovt under the "U.S. Congress on ABM" rubric: "The Broader the Interpretation of the Treaty, the More Problems There Emerge"]

[FBIS Translated Excerpt] That the Soviet-American ABM Treaty of 1972 is threatened by a drastic revision has long been an open secret. So is the fact that fairly protracted consultations have so far failed to produce a compromise between Moscow and Washington on how to treat the state-of-the-art weapons systems whose technical capabilities could not have been foreseen even by designers with the most ardent imagination. Meanwhile, the U.S. House of Representatives has taken yet another step away from the treaty, as it voted yesterday to increase appropriations for the development of antimissile systems while stopping short of clearly stating U.S. commitment to the ABM treaty. [passage omitted]

The results of disputes over the interceptor missile speed limit may prove critical for the fate of the ABM treaty: New missile models being developed by the United States and Russia to combat tactical missiles will not be technically at variance with the treaty as long as they cannot strike — even approaching — ballistic missiles. In the meantime, the line between these two types of antimissile (tactical and ballistic) missiles has become increasingly blurred, while many experts presently simply believe that no clear line can be drawn between them. And according to the logic of military-technical progress (or the logic of the arms race, as would have been said formerly) both sides contribute to the cause of undermining the ABM treaty. For instance, according to a number of experts, the latest modification of well-known Russian S-300 systems — the PMU-1 — has both tactical and strategic capabilities; that is, it is capable of engaging ballistic missiles approaching their target. And in this capacity the S-300 PMU-1 is superior to the U.S. Patriot.

All this renders a revision of the ABM treaty virtually inevitable. Moscow and Washington are perfectly aware of that as they are trying to approach this revision literally fully armed. It is well known that in the 1970's the ABM treaty was seen in the context of other agreement on strategic arms limitations, primarily SALT I. The present-day linkage will look as follows: The more difficult the process of revising the ABM treaty becomes, the more problems will arise on the way of ratifying and implementing START II.

'Expert' Criticizes U.S. Decision on ABM Systems

LD1506174795 Moscow ITAR-TASS in English 1226 GMT 15 Jun 95

[By Andrey Savitskiy]

[FBIS Transcribed Text] MOSCOW, June 15 (Itar-Tass) — The violation of international agreements on the limitation of the anti-ballistic-missile (ABM) system may call into question the need for ratifying the START-2 treaty, Pavel Podvig, expert from the Centre for the Study of Problems of Disarmament, Energy Generation and Ecology at the Moscow Physical-Technical Institute, told Itar-Tass today. In his opinion, Russian legislators, who will discuss the START-2 treaty, may be put on their guard by the fact that the House of Representatives of the U.S. Congress voted on Wednesday for increasing by 25 per cent in 1996 the expenditures on the creation of theatre ABM systems.

He believes these developments lead to the violation of the ABM treaty, signed by the United States and the USSR in 1972. The treaty has been regarded so far as one of the effective instruments for arms limitation and control. It is this treaty that is ensuring strategic stability and is serving as a basis for the START-1 and START-2 treaties. According to Podvig, the creation of new ABM systems may destabilise the situation and put Russia's national interests in the unequal position in comparison with those of the United States.

The U.S. military and industrial circles, as well as their lobbying groups in the Congress have been insisting for several years on the revision of the main provisions of the ABM treaty. Specifically, Podvig continued, the American side suggests that the theatre ABM systems should be included in the legal sphere of action of the existing documents on the grounds that they are not mentioned in the 1972 treaty. The U.S. is not taking into account that the deviation from the main provisions of that document will put Russia into a disadvantageous situation, and its positions as a nuclear power will become far more vulnerable. Aside from it, the making of amendments and the increase of allocations for the development of theatre ABM systems will inevitably lead to complications in the process of the reduction of strategic armaments. It is natural to expect that in this situation members of the State Duma will hardly ratify the START-2 treaty, Pavel Podvig believes.

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U.S.-DPRK Light-Water Reactors Deal Viewed

MM1606081995 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 95 p 3

[Report by Vadim Markushin: "Nuclear Deals Train Diplomats"]

[FBIS Translated Text] Nuclear topics have again moved into a prominent place in the world news. New circumstances have arisen primarily as a result of persistent U.S. diplomacy seeking the implementation of its plans in the international arena.

First, about the reaching of agreement between the United States and the DPRK on deliveries of light-water reactors to Pyongyang. Let us recall that back in October last year the Americans had in principle persuaded the North Korean diplomats to reprofile their nuclear program so that it would not allow them to produce nuclear weapons. The agreed sum in international aid for the purpose was $4.4 billion. But the deal fell through. The United States insisted that the North Korean graphite reactors suitable for producing weapons-grade plutonium be replaced with two light-water reactors made in South Korea. Pyongyang objected, citing the "technical unreliability" of high-technology articles of South Korean origin. Most likely there are ideological considerations behind this argument. Or simply the reluctance to "humiliate themselves" in front of their Southern neighbor under the close eye of the international community.

Nonetheless, a compromise was found. A very formal one: The formulations of the contract would indicate only indirectly the South Korean provenance of the reactors. Although it was very clear to everyone that the main supplier would be the South Korean KEPCO state corporation and the larger part of the financial expenditure would be undertaken by South Korea and Japan.

Now about an agreement which in the years since it was signed has somehow been forgotten in broad public circles. That is the 1992 agreement between the United States and Russia whereby the Americans must acquire from us 500 tonnes of weapons-grade uranium from dismantled warheads for $12 billion. The implementation of the deal, I was told at the Ministry of Atomic Energy, has already begun and the first batches of uranium have been sent to America. The claims which have recently appeared in several U.S. newspapers about the allegedly unexpected trade disputes over the contract which threaten almost to reduce to nothing all that the sides have done are all the more surprising.

It will evidently become clear later how true the newspapermen's claims are. But there is no doubt that they could not arise out of nothing. Also notable on this plane is the instant reaction from official White House spokesmen who seemed to be expecting journalists' comments on this subject. "As in all complex agreements, this accord has aspects which are in need of review as its implementation proceeds," Press Secretary McCurry stated. But here he added that the Clinton Administration has not allowed any disruption in the buying and selling because it sees in this case a "significant achievement in the foreign policy field."

In this connection it may be supposed that the newspaper items are a classic trial balloon aimed at determining Russia's reaction to the U.S. desire to bring down the price of weapons-grade uranium. Especially as this question will be discussed at the forthcoming Moscow meeting between U.S. Vice President Albert Gore and Viktor Chernomyrdin, head of the Russian Government. And it is not out of the question that they will again link it with the problem of Moscow granting aid in the field of nuclear technology to other countries including, of course, Iran.

Thus in both cases we are observing the purposefulness of Washington's efforts to ensure that the problems of the world nuclear market are resolved according to U.S. ideas and interests.

Nuclear Power Plant Deals With PRC, Iran Viewed

MM1506113495 Moscow IZVESTIYA (Financial IZVESTIYA section) in Russian 15 Jun 95 p iv

[Article by Sergey Mushkaterov of 'Financial IZVESTIYA' and Yuriy Rogozhin, chief of a laboratory at a Russian State Committee for the Supervision of Nuclear and Radiation Safety Scientific and Technical Center: "Time for Russian Nuclear Industry To Emerge From Period of Semi-Collapse"]

[FBIS Translated Text] **Competitors Don't Like To Sit Idle**

Arguments over the advisability of the construction of a Russian nuclear power station in Iran and of cooperation in the nuclear power sphere between Moscow and Beijing have been continuing for several months. The protracted nature of the conflict and the tough exchange of blows between supporters and opponents of such cooperation indicate that the conflict goes far beyond the bounds of the two specific projects. The economic and political interests of many countries, both immediate and strategic, are interwoven in it.

This is perfectly explicable. Take, for instance, the construction of nuclear power stations abroad. Nuclear power stations are a product of the nuclear industry and at the same time perform the role of main consumer of

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its output — you need nuclear fuel from the "country of origin," spares, and components in order to operate nuclear power stations. Thus a country that exports nuclear power stations gains a guaranteed consumer for the output of its nuclear industry for many years to come.

And the closure of existing nuclear power stations (we are not talking about dangerously obsolete facilities, of course) and the abandonment of new projects abroad not only strike a multifaceted blow to the country's nuclear industry, but also evoke a favorable reaction from competitor states with a vital interest in this very profitable but not very big market.

They exploit any opportunity to squeeze out an adversary. The best method is to foist a discussion of security problems on public opinion. This was particularly graphically manifested after the Chernobyl tragedy, when the shortcomings characteristic of RBMK reactors [high-power pressure-tube reactors] (called reactors of the Chernobyl type in the West) were attributed to all Soviet reactors without sufficient grounds. However, for a long time we had been constructing VVER reactors [water-cooled water-moderated reactors] abroad, which are similar to PWR reactors (pressurized water reactors), the commonest type throughout the world. Nevertheless, the vigorous propaganda campaign did its job: Some of the nuclear power stations with "Soviet" type reactors were shut down and the construction of new ones practically ceased.

The Iranian Contract: Ill-Fated Appendix Was a Secret Only to Russian Specialists

In attacking the Chinese and Iranian projects, critics have exploited another aspect of security — the discussion of the problem of nuclear nonproliferation.

The Chinese project envisages the construction of a uranium enrichment plant, which began in 1992. It is no accident that China opted to import uranium enrichment technology from Russia. In fact it is generally acknowledged among specialists that this is one of the few technical spheres where even the former USSR "led the whole world." Small but cheap and reliable Russian gas centrifuges are integrated into complexes of many thousands of units. The technical secret of the competitiveness of Russian separation technology lies in the way this is done.

According to information from competent sources, the contract envisages three phases in the project. The first phase, with a capacity of 200,000 separation operations per year, is to be commissioned in November next year. By 1998 it is planned to bring the capacities of the enterprise up to 500,000 separation operations per year. The third phase envisages increasing capacities to 1 million separation operations per year.

Despite the fact that the enterprise under construction could be used for military purposes, the project evoked rather "routine" reproaches in the West, in contrast to the serious criticism from the Russian "greens." This is probably primarily because Beijing is a long-standing member of the "nuclear club."

In contrast both the Americans and some of our scientists have been unanimous about the Iranian project — the only reason Tehran wants the nuclear power station is in order to develop the bomb.

Of course, in theory it is possible to recover plutonium from spent nuclear fuel and to use it to create nuclear munitions. But this can be done only by means of complex and expensive technology. Moreover, Iran has signed the Treaty on the Nonproliferation of Nuclear Weapons and has declared that it is prepared to adopt pledges regarding IAEA [International Atomic Energy Agency] monitoring of nuclear materials.

These were the arguments used by Russian "defenders" of the Iranian project: Nevertheless, the U.S. President managed to persuade Boris Yeltsin to effectively freeze the Iranian project.

Although official Russian explanations still provide no clear idea of the arguments that the U.S. President brought with him to Moscow in May, certain leaked information makes it possible to assume that Washington's fears were evoked not by the contract itself, but by an agreement accompanying the contract. Reliable sources indicate that the agreement appeared mysteriously after the fully prepared document left the confines of the Ministry of Atomic Energy and began making the rounds of the corridors of power. But the document, though it was "secret" so far as the people who prepared the contract were concerned, was no secret to the Americans.

As a result Russian Minister of Atomic Energy Viktor Mikhaylov, who ardently defended the peaceful nature of the contract, could not have supposed that the U.S. President would bring a copy of a document initialed by a vice premier which envisaged Russian participation in the construction of a uranium mine and a plant for the isotope enrichment of uranium in Iran.

These two additions, even if they were drawn up as an agreement regarding intentions, fundamentally change the nature of the contract: It is proposed to create a dual-purpose infrastructure that could be used to organize not only peaceful but also military use of uranium.

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Let us hope that the investigation currently under way will answer the question of how this document arose. However, the incident already makes it possible to draw a number of conclusions. First, what is in jeopardy is not only the "peaceful part" of the Iranian project and the resultant $800-million profit, but also Russia's reputation as a law-abiding supplier of nuclear technologies. Second, it is obvious that there is no proper procedure for processing such documents in the Russian White House.

This is all the more dangerous if you take into account the fact that Russia almost totally lacks basic legislation regulating the use of nuclear power, and it is difficult to say when it will appear. Even a very good draft law in the opinion of a number of independent specialists, the draft law "On State Policy for the Handling of Radioactive Materials," did not get through the Federation Council. Maybe the problem is that the law was opposed both by the "greens," who regard it as overly liberal, and by the Ministry of Atomic Energy, which finds it unduly burdensome?

However, without such a law foreign economic activity in the sphere of nuclear energy is extremely difficult, since, according to the established rules of the game in the world market, a member of the nuclear club who supplies nuclear fuel abroad assumes a commitment to accept the spent fuel either for storage or for reprocessing.

The Russian Nuclear Industry Has Something To Offer on the World Market

Despite the incident over the Iranian project and the rejection of the services of Russian specialists by many East European states where nuclear power stations based on Soviet designs were constructed, to the benefit of their Western colleagues, even today Russia has something to offer on the world market for nuclear technologies and materials. From the viewpoint of many segments of this market it is only recently that Moscow has begun timidly to emerge from a long period of missed opportunities.

For instance, in the eighties the Soviet Union had a real opportunity to enter the enriched uranium market. However, secrecy prevented this. The missed profits are shown by the following fact, for instance: Russia's revenue from the sale of natural uranium, nuclear fuel, and uranium enrichment services last year totaled $1 billion. A year ago the figure was $500-600 million.

A vivid example of Russian nuclear technology that at present is not wanted abroad is provided by nuclear power plants for ships. Russia is the only country with a civilian nuclear fleet, made up mostly of nuclear icebreakers. Their on-board nuclear reactors could be successfully used not only as part of a motor but also as an energy source on floating nuclear power stations. The reason why they have not spread abroad, once again, is the secrecy inherited by these reactors from their prototypes on nuclear submarines. However, considerations of secrecy could have long since been removed, for instance by supplying sealed reactors to ensure that the seal was not opened throughout the reactor's lifetime.

Our so-called "fast" reactors, which are much simpler and less problematical to operate than the French "Superphoenix," for instance, also have definite prospects. The example of Japan, which is not very fond of purchasing Russian technologies, is extremely indicative in this regard. Despite this, an association of Japanese firms headed by "Marubeni" has signed a contract with Russian firms for the transfer of "know-how" and experience of operating fast- breeder reactors. The total worth of the contract is estimated at several million dollars. At the same time an understanding has been reached on the transfer to the Japanese of Russian technology for the "dry" reprocessing of spent nuclear fuel. The British have also recently shown interest in this technology.

Our nuclear space technologies may be of even more interest abroad, admittedly, only potentially at the moment. The Americans, who have purchased "Topaz," admit that they are 10 years behind in the development of space nuclear reactors. If you bear in mind that the future of communications and telecommunications on earth is directly connected with space, satellites have got to have extremely powerful energy sources. By using nuclear reactors in them you can not only solve this problem but also reduce the number of expensive launches of these satellites (actually by a factor of 10, according to some calculations).

The State Must Have a Marketing Strategy

Despite the tough competition in the world market, the main problem in promoting the output of the Russian nuclear industry and technologies nevertheless lies within the state itself, which has no clear marketing strategy.

In the opinion of Boris Nikipelov, an adviser to the minister for atomic energy, even from the purely commercial viewpoint until recently the Russian nuclear industry had no interest in seeking new routes for taking its output and technologies abroad: Enterprise capacities were fully loaded, and the sale of technologies abroad was traditionally, and in many respects correctly, regarded as unprofitable since it could only benefit competitors.

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Such a need arose only when the sector was hit by multifaceted conversion. But even today, when the capacities of uranium enrichment plants are only one-third loaded, for instance, there is point in selling uranium enrichment services rather than technology. The same applies to other sectors of the nuclear industry.

At the same time, according to Nikipelov, existing world practice also presupposes the possibility of selling technologies. It can even be a question of promising developments provided that the seller takes part in their introduction or else the purchaser is prepared to buy the technical innovations on a large scale.

Incidentally, the Chinese contract showed that all the signs are that Moscow is beginning to learn these lessons. We were told by specialists who wished to remain anonymous that the decision to conclude the contract with China was made only after it emerged that it might really buy the requisite technology from another country. Furthermore, the pace of increase in the capacities of the enterprise was calculated to cover only China's own needs. Even after the commissioning of the third phase, the sources stressed, the plant would have comparatively small capacities and would be unable to compete with similar but considerably more powerful Russian enterprises.

Unfortunately, in many other instances the state and above all the Ministry of Atomic Energy have not been sufficiently quick off the mark. For instance, one of the technical reasons for suspending the operation and construction of nuclear power stations in East Europe was the fact that Soviet automatic systems were inferior to their Western counterparts. But did this emerge only recently? Representatives of the Soviet and later the Russian nuclear industry had time to turn to leading Western firms in this sphere with proposals for cooperation. This opportunity remains even now, although it is becoming increasingly phantasmal.

Finally, the Russian nuclear department is hopelessly losing the battle for public opinion not only to competitors abroad but also to the Russian "greens."

However, for all its shortcomings, the Russian nuclear industry deserves a better fate. It has been and still remains a sphere of the use of the most modern and most advanced technologies, which enrich the country's entire technological potential and promote its development.

EBRD To Fund Russian Nuclear Safety Measures

LD1506201195 Moscow ITAR-TASS in English 1717 GMT 15 Jun 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW, June 15 (Itar-Tass) — The European Bank for Reconstruction and Development (EBRD) will finance a number of measures in Russia on the improvement of nuclear safety.

This is envisaged by the agreement signed between the government of the Russian Federation and the European Bank for Reconstruction and Development "On the Nuclear Safety Account in the Russian Federation" (NSA), a spokesman for the Information Department of the Ministry of Atomic Energy told Itar-Tass today.

The "Nuclear Safety Account" was established in 1993 by the seven industrialized countries (G-7) to fund a multilateral program of action for the improvement of safety in nuclear power plants in East European countries and the former Soviet Union.

There were 14 founders of the "Nuclear Safety Account" including the United States, Canada, Great Britain, Japan, Sweden and France.

The first talks on the possible participation of the "Nuclear Safety Account" in the modernization of Russian nuclear power stations were conducted in 1993. Three Russian nuclear power plants with reactors of the first generation — the Novovoronezhskaya, the Kolskaya and the Leningradskaya — were chosen as objects for technical assistance. But in exchange for granting a free subsidy at the sum of 75 million ECUS, the European Bank for Reconstruction and Development demanded that Russia close a number of power units in its nuclear power plants ahead of schedule with which Russia did not agree.

As a result, it took almost two years to withdraw such terms, explain the Russian side's position as regards the development of its nuclear power complex and reach compromise decisions.

In accordance with the signed agreement the Russian government now pledges to adhere to the agreed regime of regulating power units of the first generation, draw the European bank for Reconstruction and Development into the working out of the energy strategy of the Russian Federation and take into consideration EBRD recommendations when forming a tariff policy of Russia in the field of nuclear power engineering.

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France Nuclear Test Resumption, NATO Considered

MM1606132195 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 95 First Edition p 5

[Article by Mikhail Shchipanov: "Will Blasts Shake the Atoll? The President of France Has Announced Forthcoming Nuclear Weapon Tests"]

[FBIS Translated Text] It cannot be denied that the new president of France is definitely consistent. Chirac the candidate promised to end the moratorium on nuclear tests and again shake the southern atoll of Mururoa with explosions, and Chirac the president has announced the start of new underground tests, apparently from the fall of this year.

It has long been known that Paris attaches some almost mystical significance to its "force de frappe" — its own nuclear strike force — which symbolized for many years not only the Gaullist strategy of an independent "omnidirectional" defense but also sustained France, a middle-ranking country in terms of size and potential, in the family of the great powers which make decisions and bear world responsibility.

In the early sixties in approximately similar circumstances France threw down a kind of "gauntlet." At the time, in a much more complex and unbalanced world, the nuclear powers had also been able to reach a tacit compromise on ending nuclear tests. But it only took the detonation of the first French nuclear charge in February 1991 to put an end to the universal moratorium. In 1993 all efforts culminated in just the conclusion of the treaty banning nuclear tests in the three environments. But underground nuclear tests stayed, so to speak, within the law.

The consequences of this "loophole" were felt in the eighties, when the world, primarily the Old World, came up against a fundamentally new twist to the nuclear arms race. It was precisely because of the continuation of underground nuclear tests that the world saw the emergence of miniature nuclear warheads for high-precision and low-vulnerability cruise missiles, third-generation nuclear shells, and so forth.

You see, nuclear tests are basically needed to achieve two objectives: the development of new types of warheads and the testing of military equipment for its resistance to nuclear effects. In general the effect of nuclear factors on weapons and protection systems and the reliability of defense systems can be calculated to some extent using computers. But tests remain extremely necessary for two things. First, for the selective checking of nuclear warheads kept in stockpiles and, second, for the development of new forms and types of arms. In both cases we are talking about overtly military preparations, no matter how they might be veiled by references to the need to verify the level of mutual nuclear deterrence. It is clear that nobody would risk, for example, a first nuclear strike and so forth without being confident in the condition of his own warheads.

Maybe these calculations contain a degree of exaggeration in view of the increased level of mutual trust between the nuclear powers, but analysis of the new situation which might develop following France's resumption of tests at Mururoa Atoll require that all these factors be taken into account.

Furthermore, as 30-plus years ago, it is again Paris which could trigger the implementation of programs which are being mapped out in very general terms in various countries. Let us recall that the latest modification of a strategic nuclear missile has been tested in China and that the possibility of a massive return to ABM system development projects is being discussed very seriously in the United States. The same ABM system with space-based elements which for a number of years was the main obstacle to the conclusion of a follow- up Soviet-American treaty on the reduction of strategic nuclear weapons.

As they say, even a tiny pebble can trigger an avalanche. And an avalanche in the sphere of monitoring the reduction [kontrol za sokrashcheniyem] of nuclear arms could set the world back years. This question could prove more serious that the problem of NATO expansion.

As yet the loudest protests against the resumption of the French program of underground nuclear tests are coming from the New Zealand and Australian authorities: The population of these countries do not want to pay the price of leukemia for French nuclear ambitions. Obviously, however, it is how the other nuclear countries, including the United States and China, protest that make it possible to clearly judge their sincerity in this matter.

NATO Incursions Into Arctic Waters Criticized

MM1506140495 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 95 First Edition p 7

[Article by Sergey Ptichkin: "Few Ships in Cold Waters. Hard To Explain Increase in NATO Naval Presence in Arctic Region"]

[FBIS Translated Text] Political analysts state increasingly frequently that the Cold War has been replaced by some kind of strange cool peace with extremely vague points of reference. You would have thought that Russia had displayed so many peace initiatives and demonstrated so much good will that the most inveterate hawk must realize that threats to peace no longer emanate

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from Moscow which, for God's sake, has its own internal problems to deal with. So an increase in NATO military activity in Arctic regions directly adjacent to Russian territory seems extremely odd.

Take a small and, at first glance, peace-loving country like Norway, which no one is threatening nowadays. Over the last few years the number of exercises conducted in that country both at national and coalition level compared with the Warsaw Pact era and the period of confrontation between the two superpowers has not increased, but the number of arms per capita in Norway (firearms, tanks, artillery launchers, and warplanes...) is 100 times the per capita figure in Russia!

Norway's Marjata, a ship engaged purely in research activity and considered one of the world's best, has literally taken up residence in the waters of the Barents Sea bordering our country. U.S. Navy long-range sonar reconnaissance ships have begun to constantly patrol the area of sea between the North Cape and Bear Island.

Northern Fleet commander Admiral Oleg Yerofeyev says that when Russian military seamen were greeted in the Kara Sea by the Norwegian warship Sverdrup-2, when asked by our commander why the ship was in these waters the Norwegian captain gave the cynical answer: I am on a military reconnaissance mission.

Last year there were 220 reconnaissance sorties involving frequent violations of Russia's air borders, and this year the number of reconnaissance missions carried out by aircraft bearing the identifying markings of various NATO countries has only increased.

But the most unfathomable and dangerous thing is that this constitutes an increase in NATO warships' direct military presence in the northern latitudes, as well as in reconnaissance activity.

In the past, when Soviet missile-carrying submarines leaving the Kolskiy Zaliv headed off to the North Atlantic and the U.S. Eastern seaboard on combat alert duty, they were monitored by one or two U.S. multirole nuclear submarines stationed permanently in the Norwegian or Barents Seas. Today our missile-carrying submarines are only on combat service in the Arctic regions, and the Americans are perfectly well aware of that. Nevertheless the U.S. Navy has increased the number of its multirole nuclear submarines in the Arctic area to three or four. And France and Britain both have nuclear submarines, whose presence in Arctic waters is being recorded increasingly frequently....

Naturally, an active submarine incursion into Arctic waters with their complex hydrology, which requires supreme skill and prudence from submarine crews, cannot go unnoticed, especially since the uninvited guests are often quite brazen and totally lacking in the much-vaunted Western professionalism. All this creates situations that could spell disaster. But even the threat of colliding with our submarines does not stop the overcurious travelers.

I know of a quite fantastic incident which almost turned to tragedy. A British multirole nuclear submarine spent so long circling the large Russian missile-carrying submarine Akula, better known as a Typhoon, in an attempt to fully record our ship's characteristic signature that the Akula simply snapped the sonar array towed by the British submarine. The Akula arrived back at its home base with just this trophy wrapped around its conning tower. The brinkmanship of the "spying game" could easily have caused the British submarine's downfall had it not been "pulled by the tail" but given a full broadside.

When the mammoth Barrakuda was commissioned by the Northern Fleet, all NATO reconnaissance forces began hunting it, invariably wanting to get shots of this unique ship's specifications. The result is well-known: The U.S. Navy submarine Baton Rouge, hiding behind the noise made by a fishing seiner, in its quest for the Barrakuda got so close to our nuclear submarine that it sustained a severe blow to its "steel jaw."

Some people (not just in our country) believe that Russian nuclear submarines can hear nothing but the noise of their own screws. That is by no means the case. A strategic submarine missile cruiser under the command of Captain First Rank Andrey Bulgakov was on combat alert duty in the Barents Sea. Sonar detected that a foreign submarine was trying to position itself by the submarine cruiser's stern. The ship's nationality and class were established from its signature. We indicated that the "biter" had in fact been "bitten" and should withdraw for its own safety. But no! The U.S. submarine began to perform what were simply fantastic convolutions around our cruiser, which was incidentally carrying 16 nuclear-tipped ballistic missiles. You got the impression that the U.S. submariners — and that is what they were — were refusing point-blank to see our huge cruiser even though they suspected that it was close at hand....

Everything ended as you might have expected — a collision between two nuclear submarines. The U.S. Navy multirole submarine Grayling had crept up to Russia's shores in a highly stealthy manner. The damage caused by the collision was so serious that the submarine had to be written off. Surely Russian submariners are not to blame for that?

It is probably pleasant to sense your power in the face of a noticeably enfeebled former enemy, pleasant to flex

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muscles rippling with military might off foreign shores. But why? It is, after all, obvious that any underwater collision between the steel hulls of nuclear "predators" may not only strike a spark but cause an infernal conflagration, the heat of which will be felt even on the other side of the Atlantic. Who stands to gain?

Foreign Ministry Urges Antiterrorism Effort

LD1606083195 Moscow INTERFAX in English 1226 GMT 16 Jun 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 15 (Interfax) — Russia's Foreign Ministry has called on all states "to closely coordinate their actions" in the struggle against terrorism, says a statement by the Russian Foreign Ministry handed over to Interfax Thursday.

The statement says that coordination of moves to fight terrorism "will be one of the priority items on the agenda of the G-8 meeting in Halifax (Canada). Russia is ready to make its contribution so that concrete measures are adopted on this issue," the document underlined.

The appearance of the Russian Foreign Ministry statement is explained by the terroristic attack committed, as representatives of the Russian power structures believe, by Dudayev's fighters against the residents of the city of Budyonnovsk in Stavropolye.

The document points out that "the major aim of Dzhokhar Dudayev's terroristic action is to try to postpone the inevitable inglorious end to his anti-popular regime by destabilizing the situation" in Russian regions.

The crime in Budennovsk, the statement underlines, "should finally open the eyes of those politicians who were unable to deeply examine the true reasons for the Chechen tragedy and have chosen the path of moral admonishments with respect to Russia."

Spokesman Warns Poles on Exploiting Katyn Tragedy

LD1506184895 Moscow ITAR-TASS in English 1523 GMT 15 Jun 95

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW, June 15 (Itar-Tass) — Russia is "puzzled" over the attempts by certain Polish politicians and mass media to cast aspersions on the events held recently at the villages of Katyn and Mednoye to commemorize the victims of totalitarian reprisals, a Russian Foreign Ministry spokesman told a briefing on Thursday.

According to Mikhail Demurin, some people in Poland believe the "Katyn case" should not be closed until the Russian side "apologizes for what was done".

Such remarks can be only labelled as a "cynical attempt" to exploit the tragedy of thousands of people for sustaining distrust between Russians and Poles, the spokesman said.

Demurin recalled that democratic Russia had uncovered the truth and resolutely denounced the totalitarian rule which killed, among others, millions of Russians. Our country is doing its utmost to commemorize the innocent victims, thus finishing the sad episode in the joint history of Russia and Poland, he stressed.

Kozyrev Tells OSCE of Estonia's Discrimination

LD1506194095 Moscow Voice of Russia World Service in English 1500 GMT 15 Jun 95

[FBIS Transcribed Text] Russian Foreign Minister Andrey Kozyrev has held talks in Moscow with the OSCE [Organization for Security and Cooperation in Europe] Commissioner for National Minorities Max Van der Stoel. Kozyrev told Van der Stoel about the discrimination of the Russian-speaking people in Estonia. In fact, Russians do not have the right to get Estonian citizenship, even if they were born in Estonia or are married to Estonian citizens. However, international observers who often visited Estonia, say that no evidence of discrimination was found there.

Shumeyko, OSCE Official Discuss Russians Abroad

LD1506123395 Moscow ITAR-TASS World Service in Russian 1407 GMT 15 Jun 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 14 Jun (ITAR-TASS) — Federation Council Chairman Vladimir Shumeyko today informed Max van der Stoel, high commissioner for national minorities in the OSCE [Organization for Security and Cooperation in Europe], of his tasks in respect of solving problems connected with the position of the Russian-speaking population abroad. He also said that he "sees the intensive and complex work being done by Russian deputies to develop legislation and build a democratic system of power in Russia."

In the view of the Federation Council chairman the term "Russian-speaking population" is now outdated. He considers that the concept "ethnic Russians" should now be used. The council chairman divides ethnic Russians into two categories: those who are citizens of the states where they reside and those who possess Russian citizenship or dual citizenship but reside in

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another state. According to Vladimir Shumeyko it is the task of Russia and the Federation Council to protect the rights of the latter category.

The council chairman said that his visits to CIS countries have convinced him that "some of the problems regarding the position of ethnic Russians are connected not so much with discrimination as with the grave economic situation in those countries." Therefore the best way, he said, to safeguard the rights and liberties of the Russians is to broaden economic integration within the CIS framework. At the same time he considers it essential to pay careful attention to every case of violation of the rights of Russians abroad, if it is to be explained by the nationalities factor.

German Defense Minister Greets Grachev

LD1606100895 Moscow INTERFAX in English 0042 GMT 16 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (Interfax) — German Ambassador to Russia Otto von der Gablentz passed Russian Defense Minister Pavel Grachev best regards from his German counterpart, Volker Ruhe.

Grachev's aide, Yelena Agapova, told Interfax Thursday that the German diplomat had informed Grachev of Ruhe's "interest" in developing bilateral relations and contacts at their meeting in Moscow Thursday.

According to Agapova, the two sides exchanged opinions on the prospects for cooperation within the Partnership for Peace program and settlement in the Balkans. The meeting had been initiated by the German side.

In an interview with Interfax, military experts described Ruhe's step as an act of goodwill to normalize the personal relations of the two countries' defense ministers.

In early 1995, Ruhe said Grachev's visit to Germany would be undesirable following his harsh statements against State Duma deputies Sergey Kovalev and Sergey Yushenkov whom he called "enemy" and "vile little toad" respectively at a news conference in January.

EU 'Mistake' in Deferring Trade Pact Decision

MM1606092895 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jun 95 First Edition p 5

[Article by Vladimir Kuznechevskiy: "January's Mistake Will Have To Be Rectified...After June's. The Governments of the European Countries Are Attempting To Expedite the Signing of a Trade Agreement Between Russia and the European Union"]

[FBIS Translated Text] On Monday 12 June the foreign ministers of the EU states gathered in Luxembourg to examine the question of the development of trade ties and other forms of cooperation and also the expansion of this organization to include countries from the former socialist bloc. In the course of the meeting a trade agreement with the countries of the former Soviet Baltic region was signed. Admittedly this does not mean that Baltic bacon is immediately going to conquer the European market (its quality is inferior to European bacon and it costs more) but external, formal (not to say cosmetic) justice was done. What happens to Baltic goods will ultimately be decided, of course, by an argument as old as the hills — which way the competition graph goes. But it seems to me that this graph will take everything right back where the Balts fled from with cries and whoops of glee in 1991. But we will be talking about different times, different tunes, and, probably, different governments.

The central question in Luxembourg, however, was something completely different: the signing of a temporary trade and partnership agreement with Russia.

In principle this agreement was ready a long time ago, and the go-ahead was to have been given by a decision of the Council of Europe parliamentary assembly back in January. But then we had the Chechnya events and Sergey Adamovich Kovalev came to Strasbourg and passionately urged a boycott of his own country.

Many people remember the pomp with which all this was served up. Kovalev was depicted as a hero, Dudayev as an innocent lamb, and official Moscow as the embodiment of imperial ambitions. All this had a strong effect on the minds of European parliamentarians, and the decision was deferred.

Months passed, and the West came to the conclusion that a mistake had been made in January. In particular, Washington repeatedly made it clear during this time (and expressed itself forthrightly on the subject) that the absence of a trade agreement between the EU and Russia would lead to an unnecessary exacerbation of the economic situation not only in Russia but also on the European market. And literally on the eve of the Luxembourg conference Douglas Hurd, the head of British diplomacy, stated that the postponement of the signing of the treaty had been yet another setback for Russian reform.

Everything seemed clear, and the Luxembourg conference was expected to rectify the mistake made in January. Nevertheless the foreign ministers decided to again hold off signing the agreement with Russia. They noted that Moscow has not met all the conditions set for ending the war in Chechnya, although some progress has been made in terms of providing humanitarian aid and

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supporting the activity of the Organization for Security and Cooperation in Europe mission.

According to the German newspapers, the ministers' decision took even their own governments aback. The arguments cited by the foreign ministers did not satisfy the governments of the European states. On Monday evening the abovementioned D. Hurd stated that the conditions cited in the ministers' decision are hard to achieve. And the London TIMES stated bluntly, eschewing diplomatic understatement: "In the wake of Dzhokhar Dudayev's recent statement it is hardly possible to insist on the conditions set by the Europeans Union."

What Dudayev statement is the London newspaper referring to?

The point is that on the day the Luxembourg conference ended Dudayev himself called the Moscow office of Radio Liberty and said literally the following: "Russia is a fascist state. Russianism is the most terrifying fascist plague ever known to mankind. No change of power can change Russia. Russia as a state should not exist."

When the first shock from this statement had passed, people in European capitals started to express the view that the trade agreement with Russia should be concluded as soon as possible, as early as July.

Deputy Premier's Trade Trip to Cuba Previewed

LD1506205295 Moscow ITAR-TASS in English 1750 GMT 15 Jun 95

[By Irina Bolshova]

[FBIS Transcribed Text] MOSCOW June 15 (Itar-Tass) — Russian first Deputy Prime Minister Oleg Davydov is due to visit Cuba in mid-July to discuss a Russian-Cuban cooperation programme, BUSINESS-TASS was told today in the Ministry for Foreign Economic Relations.

A long-term contract on Cuban sugar export to Russia is to be signed during the visit. The export would took the edge off the sugar deficiency in the Russian market.

Federal bidding is held in Russia for purchase in 1994 of one million tonnes raw sugar from Cuba on terms of exporting an equivalent worth of crude oil, or some three million tonnes to Cuba.

The bidding, which is to finish on June 30, is conducted under a Russian-Cuban inter-governmental protocol signed on May 4.

First Deputy Minister for Foreign Relations Mikhail Fradkov said the economic relations between Russia and Cuba are far broader that the oil-sugar deal.

Cuba's industrial potential built with technical assistance from the former Soviet Union holds out considerable promise for the expansion of Russian-Cuban relations.

Russian total loan to Cuba for renovation of its priority factories is estimated at 350 million dollars.

The comprehensive cooperation programme to be discussed by Davydov in Havana envisions broader contacts.

The economic slump of Russia and Cuba, with the breakup of their earlier economic ties, caused a dramatic reduction in the volume of bilateral trading.

The two states' trade in 1994 was worth only 506 million dollars, while the figure was 3.3 billion dollars in 1991.

Article Examines Trade With Cuba

MK1606063095 Moscow SEGODNYA in Russian 15 Jun 95 p 4

[Report by Irina Rozenberg: "Mashinoimport Wants To Process Russian Oil in Cuba. Poor Qualifications of Cuban Specialists and Finance Ministry's Inertia Are To Blame for Failure To Carry Out Intergovernment Agreements"]

[FBIS Translated Text] The question of implementing an intergovernment agreement on construction projects in Cuba involving Russian specialists, which was concluded in June 1993, was discussed at the meeting of the Foreign Economic Relations Ministry board yesterday.

According to board members, Cuba is still Russia's most important strategic partner in Latin America. First, a whole industrial sector (about 500 enterprises) was set up there by the former USSR. Second, over the next several years Cuba will remain Russia's main sugar supplier. Third, it is through Cuba that Russia can "gain a foothold" in other Latin American countries. Nor should one forget about Russian military interests in this country.

Nonetheless, participants in the meeting noted the "extremely slow" pace of implementing the agreement. In particular, the cost of work to be performed this year is about $100 million. As of today, only $43 million worth of contracts have been signed, of which transactions worth $15.65 million have been carried through.

According to chiefs of foreign trade associations involved in carrying out the agreement (including

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Tekhmashimport, Tyazhpromeksport, Selkhozpromeksport, and Mashinimport), it is the Cuban side's unreliability that stands in the way of successful realization of the projects. For instance, the delivery of specifications for one project or another has been delayed "for unclear reasons." When the documents arrive, however, they often turn out to be "ignorant." Moreover, the Cubans fail promptly to unload equipment arriving under the agreement, so it remains stuck in ports for months.

As was noted at the board meeting, it was only at the end of last year that Russian foreign trade organizations tasked with implementing the agreement actively embarked on carrying it out. Chiefs of the foreign trade organizations, in turn, attributed this to the fact that the Finance Ministry refused to confirm their authority to use loans precisely till the end of last year (in order to implement the agreement, the Russian Government gave foreign trade associations a loan of $350 million). The Finance Ministry released $18 million only by the end of last year and another roughly $80 million for all of 1995.

Nonetheless, Andrey Dogayev, chairman of Mashinoimport, who recently visited Cuba on a Fuel and Energy Ministry mission, proposed a cooperation plan that would enable his firm to carry out the agreement even without state loans. Moreover, the Mashinoimport chairman suggested that his company's share in the intergovernment agreement be increased from $20 million to $30 million.

According to Mr. Dogayev, it would be advisable to set up Russian-Cuban oil-processing joint ventures involving Mashinoimport (the firm chairman noted that the Cuban side agreed to such a proposal in principle, but objections arose on the part of the Cuban Foreign Trade Ministry). Such enterprises could process Russian oil arriving in Cuba because "the Cubans do not use this oil anyway, but resell it at a higher price," Andrey Dogayev said. The prospects conjured up by the Mashinoimport head look totally enticing because the Russian side could also earn money by trading in gasoline. In his words, "we could actually earn $20 per 1 tonne of Russian oil shipped to Cuba" (the net gasoline yield is 20 percent, while 1 liter of gas costs $1 in Cuba).

The board members liked Mashinoimport's proposal, but, to all appearances, a definitive decision on this matter will fully depend on the results of a tender under the "oil-sugar" project; a tender committee has already been set up and terms of competition have already been announced.

PRAVDA on Replacement of 14th Army Commander

MM1606142695 Moscow PRAVDA in Russian 16 Jun 95 p 1

[Report by Ivan Boltovskiy: "Lebed Resigns. Grachev in Seventh Heaven. All-Guns-Blazing General Replaces Peacemaker General"]

[FBIS Translated Text] The resignation request from Lieutenant General Aleksandr Lebed, commander of the 14th Army, lay on the president's table for around a week. Now it has been signed. In tendering his resignation, Lebed was expressing his categorical disagreement with the Defense Ministry's directive to cut back on the administration of the army entrusted to him. Aleksandr Lebed said that his step was motivated by the lack of a political solution to the conflict in the region and by the existence of huge stockpiles of weapons at Army dumps.

Naturally, the State Duma, having listened to Lebed's arguments, could not fail to agree with him and it decided to place a moratorium on implementation of the aforementioned directive. Nonetheless, Semenov, commander in chief of the Ground Forces, summoned General Lebed and stated that he should either carry out the order or resign. Grachev, who had unsuccessfully attempted to get rid of the unruly general last fall, immediately signed the paper.

The president had not merely to accept or reject the resignation; to all intents and purposes he had to make a choice between Grachev and Lebed. Failure by the supreme commander in chief to ratify the defense minister's decision under these circumstances would have essentially forced the latter to resign. But how could he part with Grachev, whose friendship had acquired armor-piercing force following October 1993? And the fact that, after some diplomatic dawdling, he accepted Lebed's resignation was no surprise. What was shocking was the appointment to the vacancy of Major General Valeriy Yevnevich, former commander of the Taman Division and later first deputy commander of the 1st Army.

The president has made the most unpopular appointment possible. Having removed the now-legendary Lebed, who enjoys ever-increasing prestige among Russians, he has put a most odious figure in his place! There can be only one explanation — the president now values his own security more than anything. He will not find a truer servant than a man linked to him by the blood of innocently killed people. It is well known that 14th Army officers are infinitely devoted to General Lebed, and their behavior in the wake of his resignation cannot

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fail to concern the supreme commander in chief. That is why he has appointed one of "his own" generals.

Only arrogant politickers would today refuse to recognize the importance of the role played by Aleksandr Lebed in keeping the peace in a land which will not soon cool off from the flames of bloodshed. What will happen there once he has left? Unfortunately, the Kremlin is more concerned about who rather than what. The current Army is not so much protecting the people as protecting the president against the people. That is the case — and the proof is the replacement of a peacemaker general with an all-guns-blazing general.

Decree on Uzbekistan Tax Evasion Agreement

954F2520A Moscow ROSSIYSKAYA GAZETA in Russian 9 Jun 95 p 5

[Decree 325 of the Government of the Russian Federation of 7 April 1995: "On the conclusion of an Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Cooperation and the Exchange of Information in the Sphere of the Struggle Against Violations of Tax Legislation," Moscow]

[FBIS Translated Text] The Government of the Russian Federation decrees that:

It approves the draft Agreement Between the Government of the Russian Federation and the Government of the Republic of Uzbekistan on Cooperation and the Exchange of Information in the Sphere of the Struggle Against Violations of Tax Legislation (appended) (Footnote 1) (The agreements are published today in the departmental supplement of ROSSIYSKAYA GAZETA) presented by the Department of Tax Police of the Russian Federation following coordination with the Ministry of Foreign Affairs of the Russian Federation and preliminary analysis with the Uzbekistan side.

It instructs the Department of Tax Police of the Russian Federation to conduct with the participation of the Ministry of Foreign Affairs of the Russian Federation final negotiations with the Uzbekistan side, having authorized revisions and addenda to the appended draft agreement which are not of a fundamental nature.

That the Department of Tax Police of the Russian Federation shall when an accommodation has been reached sign the said agreement on behalf of the Government of the Russian Federation.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

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Political Issues

Filatov: Yeltsin To Sign Duma Election Bill

LD1506203695 Moscow INTERFAX in English 1907 GMT 15 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (INTERFAX) — The president will sign into law legislation on elections to the State Duma as promised, Presidential Chief of Staff Sergey Filatov told INTERFAX Thursday.

However, the Constitutional Court has to hand down a ruling on the legislation about the formation of the upper house, he said.

Under Article 95 of the Constitution every Russian region or republic will be represented in the Federation Council by two members, one from the legislative and the other from the executive branch. At the instigation of Viktor Ilyukhin, chairman of the State Duma Security Committee, the lower house had asked the Constitutional Court for a clarification. Ilyukhin believes the article to be inconsistent with Article 10 on the division of power between the legislative, executive and judicial authorities.

Filatov believes that a decision on this issue should recognize both the situation in the country and the judicial principles. The Constitution does not specify whether the formation of the first, second or third Federation Council is meant, he said. In his view this process can continue indefinitely provided that the upper house membership are elected by the people. This must be followed, Filatov said, by a rotation process which must not necessarily end in a month or two.

"If the Federation Council is doing its job, and we can see today that it is, then it may stay and as the situation develops the vacant seats in the upper house filled in by- elections," Filatov said.

Part 2 of the Constitution says that the first Federation Council will be elected for a two year term, or until December 12, 1995, he explained.

Shumeyko Seen as Driving Force Behind Election Law

MK1606120095 Moscow KOMMERSANT-DAILY in Russian 16 Jun 95 pp 1, 3

[Commentary by Veronica Kutsyllo: "Federation Council Sitting. When Shumeyko Can't Sleep, the Duma May Sleep in Peace"]

[FBIS Translated Excerpt] The law on elections for the State Duma has been passed, and by an edge the Duma could not have dreamed of: 113 votes "for" (90 would have been quite enough), compared to 76 the day before yesterday, and 11 votes supporting the original wording of the law. In order to score such a result, Vladimir Shumeyko had to hold numerous nighttime consultations which went on into the morning. The bargaining chip was not named directly but the house speaker's utterances were transparent enough for one to realize: in exchange, the president promised to "control" the situation with the other election law — on the formation of the Federation Council. Commentary by Veronica Kutsyllo.

Anyone versed in the workings of parliament knows: It is far from simple to find overnight 37 additional "yes" votes on such a debatable problem. One had to have a sufficiently strong argument up his sleeve to sway the disagreeing senators who before that took part in a roll-call vote on 14 June. By the night of 14 and 15 June, Shumeyko already had this argument. [passage omitted]

A logical question: Why should Yeltsin need the "Duma" law after all? The president's preceding moves gave plenty of room for plenty of guesses about canny plans for postponing the elections that were allegedly being developed by his analysts. In all likelihood, however, the president now is really ready to sign the law. The most important thing here must be not so much the threat of a political disruption inside the country as the West's reaction to the absence of the law and, as a consequence, the absence of democratic elections. Therefore, it would not be a bad thing for Yeltsin, burdened with Chechnya, the Iran deal, and differences on UN sanctions against various countries, to have a passed law on elections for the State Duma before the G-7 meeting in Halifax. Let it be there, as they say.

The situation inside the Federation Council is a bit soured by the fact that the current upper house is far from having been recruited solidly from the heads of administrations. And many senators can only make it into the house again via elections. A conflict of interests and future plans is now in evidence — it became felt in the voting on the "election" variant of the law on the house: 77 people voted "for" — practically the same number that voted the day before yesterday on the State Duma law. Simple arithmetic works in the upper house in a somewhat specific way, however: 77 yes votes without Shumeyko is much less than 76 with Shumeyko. [passage omitted]

Yeltsin To Address Government on 1996 Budget

LD1606122195 Moscow INTERFAX in English 1039 GMT 16 Jun 95

[FBIS Transcribed Text] MOSCOW, June 16 (INTERFAX) — On his return from Halifax Russian President

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Boris Yeltsin will address the government on the 1996 budget. Yeltsin told this to our INTERFAX journalist before his departure from Moscow to a G-7 meeting in Canada.

Yeltsin promised that the budget message to the government prepared by him "will contain several new aspects" and added that "the budget is being formed as an anti-inflation one even now."

"We go to Halifax not without problems, however, there are noticeable advances for the better compared with 1994," Yeltsin said and explained that he means the economic part of the meeting.

Yeltsin said that he plans to address the summit on a wide spectrum of trade and economic issues related to such organizations and the IMF, COCOM [Coordinating Committee for Multilateral Export Controls], and banking system. In his opinion, this sector needs reconstruction. "I shall put forward several proposals on these issues," Yeltsin said.

Contents of Presidential Mailbag Viewed

MM1606145995 Moscow ROSSIYSKIYE VESTI in Russian 16 Jun 95 p 2

[Unattributed report under the "Letters to the President" rubric: "Material Problems Determine the Voter's Awareness"]

[FBIS Translated Text] The country's leadership received 4,405 communications from Russian and foreign citizens during the week.

Four main features of this mail can be singled out. First, congratulations on the fourth anniversary of the adoption of the Declaration of the Russian Federation's State Sovereignty from heads of foreign countries.

Second, responding to the meeting of the presidents of Russia and Ukraine, correspondents from the two states share their thoughts on the state of and prospects for the relations between these Slav countries and peoples, which are closely linked historically, geographically, etc.

Third, responses and telegrams of condolence continue to be received in connection with the tragic consequences of the earthquake in the north of the island of Sakhalin. Thus, the Malnichuk family from Stavropol Kray expresses readiness to welcome 10 children from the affected region, and Kray Duma Chairman V. Zerenkov reports:

"Supporting the aid from federal organs of power, we are transferring 500 million rubles to the earthquake victims. Work is under way in the kray to collect additional funds to help the people of Sakhalin."

Fourth, some changes in the subjects of the letters and telegrams are noteworthy: There is continued growth in the proportion of communications relating to questions of the population's social protection (an increase of 0.4 percent during the week), financial questions (1.1 percent), and questions of the work of internal affairs organs (0.7 percent). These communications contain complaints about the low level of pensions and allowances; negative assessments of commercial structures which dupe investors; and dissatisfaction with the state of law and order.

Communications relating to delays in the payment of wages continue to be received, mainly from distant parts of the country. Such reports have been received from Magadan Oblast (the Tal-Yurakh Opencut Coal Mine), from residents of the Chukotka settlement of Baranikha, and from other places.

To judge from the mail, material problems of daily life have a substantial effect on the claimants' outlook on the world. For example, numerous writers who invest in all sorts of "firms" and "companies" increasingly frequently call the return of funds a condition of their vote in the upcoming elections.

The following are noteworthy among the new topics in the week's mail:

Because funds from the federal budget are being held up, representatives of the country's small peoples might be deprived of further studies in higher educational institutions (telegram from S. Smirnova in Maritime Kray).

Investors in the Russian Savings Bank ask for a block of shares in it not to be sold to commercial structures and for state guarantees for clients to be preserved.

Ye. Moskalenko, an inhabitant of Kyrgyzstan, and some other writers ask for assistance to maintain broadcasting by Radio Mayak.

Soskovets To Handle Military-Technical Policy Coordination

MM1606145395 Moscow ROSSIYSKIYE VESTI in Russian 16 Jun 95 p 1

[Unattributed report under the "President" rubric: "Weapons Producers and Salesmen Will Work in Concert"]

[FBIS Translated Text] The Russian Federation president's edict "On the Coordinating Interdepartmental Council for the Russian Federation's Military-Technical Policy" has approved the statute on the council and its composition. First Vice Premier Oleg Soskovets has

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become the chairman of the Coordinating Interdepartmental Council, and Sergey Svechnikov, chairman of the Russian Federation State Committee for Military-Technical Policy, has become his deputy.

Our information: The basic task of the Coordinating Interdepartmental Council is to draw up for the president and the government coordinated proposals concerning state military-technical policy, to settle complex questions which arise during the development, production, exporting, and importing of arms and military hardware, and also to define measures for the realization of arms programs and the conversion of defense enterprises. The Coordinating Interdepartmental Council has the right to ask organs of executive power for necessary information, to listen to their leaders, and to put its proposals to the government. In addition to the first vice premier, who as chairman of the Coordinating Interdepartmental Council is personally responsible for the fulfillment of the tasks entrusted to the council, and the leader of the State Committee for Military-Technical Policy, the Coordinating Interdepartmental Council includes 15 representatives of defense and other "power" structures and of the Ministries of Foreign Affairs, Economics, and Finance.

Workers' Self-Rule Party Founder Profiled

954F2523A St. Petersburg SMENA in Russian 9 Jun 95 p 3

[Article prepared from materials of the Institute of Humanities-Political Studies, Moscow: "A Party for the Outsider"]

[FBIS Translated Text] In the majority of political ratings, one of the first places (and sometimes simply first place) is held by a person who has never been a professional politician—the ophthalmologist Svyatoslav Fedorov. He is way ahead of the current head of state and almost all of his rivals. Judging from everything, many voters have an extremely favorable view of Fedorov as a presidential candidate, although his name is not linked either to any major political decisions or to any successful experience in state activity. At a time when the prestige of professional politicians has dropped so low, the interest in "outsiders" is generally to be expected. We will familiarize the readers with the details of how the Workers' Self-Government Party is organized "under Svyatoslav Fedorov."

Originated in '95

Svyatoslav Nikolayevich Fedorov got the idea of creating an independent political force after the defeat of the Russian Movement for Democratic Reforms (RMDR) in the elections to the State Duma on 12 December 1993. Fedorov's team and he himself were faced with the problem of a political about-face. At first Fedorov was inclined toward the project of creating a broad movement with a democratic orientation, but his inner circle put forth the idea of a party, to which Fedorov agreed after a long period of wavering. The key figures in the process of building the party were the legal experts Voldemar Koreshkov and Nikolay Postovoy, who have a large amount of experience working in the apparatus of the organs of power (first Union and then Russian).

The organizing committee for the new party appeared in March-April 1994. Regional organizations based on 11 affiliates of the Interbranch Scientific and Technical Complex (MNTK) "Microsurgery of the Eye" (Khabarovsk, Irkutsk, Novosibirsk, Yekaterinburg, Orenburg, Tambov, Volgograd, Cheboksary, Krasnodar, St. Petersburg, and Moscow) began to be formed in April. A principle was proclaimed: The party must be built from the bottom up. In fact, potential supporters were given constant assistance in organizing themselves. Connections made by V. Koreshkov and N. Postovoy when they served as deputies to the chief of the Control Administration of the president of the Russian Federation during 1991-1992 were used actively for this.

The founding congress took place on 28 January 1995. It was attended by 86 delegates from 54 components of the Russian Federation. Welcoming addresses were given by Aleksandr Solzhenitsyn and Ivan Rybkin. On 6 March Svyatoslav Fedorov's party received a certificate of registration from the Ministry of Justice of the Russian Federation, but at that time it was forced to take the name "Workers' Self-Government Party" (PST), since the desired abbreviation of PNS (People's Self-Government Party) had already been taken by the People's Conscience Party.

Made Up of Doctors

Now the PST has about 70 regional organizations, the majority of which consist of from 10 to 30 people. The overall number of members of the party is nominally 3,500, of whom 1,000 are in Moscow. The capital has a total of 12 lower organizations, the largest of which is the Beskudnikovskaya Interterritorial (750 members), which includes the Institute of Microsurgery of the Eye. Other large organizations in the country are: Krasnodar—300 members, Cheboksary—250 members, Moscow Oblast-200 members, St. Petersburg—200 members, and also Novosibirsk (that is, the largest organizations are in those regions that have branches of the MNTK).

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The party consists primarily of intelligentsia (mainly physicians) and is supported by certain military organizations and entrepreneurs. The support of the latter is manifested in financial assistance, including for conducting the founding congress (at the end of 1994, 270 of the largest banks and corporations were sent letters signed by Svyatoslav Fedorov requesting material aid for the party, and about 20 of them agreed, allotting R50-100 million each). Fedorov essentially did not pay for any party costs out of his own pocket or the MNTK budget, preferring to look for sponsors.

Only the Kremlin Will Do

The medium-term goal of the PST is to win in the forthcoming elections to the State Duma and, possibly, to elect Svyatoslav Fedorov to the post of speaker, but the main goal is to win in the presidential elections of 1996. In order to announce its presence loudly, the party is planning a campaign for conducting a referendum on the form of ownership of the means of production. In parallel there will be mass demonstrations with populist slogans, for example, with a demand for the government to introduce a price ceiling on basic foodstuffs.

Contacts with the mass media, to which a great deal of attention is devoted, are made in the form of buying air time on local television channels and central TV programs (the positive experience of S. Fedorov's economic practice will probably be extended) and ordering articles on the party and interviews with the leader (PRAVDA and TRUD) and sometimes entire issues of newspapers devoted to the PST. Several brochures and leaflets presenting the party's program principles have been printed and are being distributed.

The basis of the potential electorate, in the opinion of the party's organizers, are patients of MNTK clinics and their friends and relatives (in eight years of operation more than 2.5 million people have received operations, and 90 percent of them have had positive results).

The higher party leaders are engaged in active negotiations and trading sessions with leaders of various political organizations. Adhering to the principle of searching for political allies (for the future—for presidential elections, since in the elections to the State Duma the PST will most likely function separately), the party is looking at possible candidates for an alliance and making strict demands on them. There are quite a few applicants: According to available information, for various reasons, "rejections" were given to S. Glazyev, K. Borovoy, O. Rumyantsev, A. Golov, and A. Tarasov. G. Zyuganov was also unsuccessful at arranging a meeting with S. Fedorov.

Ye. Gaydar is not being considered seriously by the PST either as an opponent or as an ally. A unification with A. Rutskoy's Derzhava is possible, but under one condition: He must agree to operate under conditions dictated by the PST. Essentially analogous requirements were expressed by PST representatives in a conversation with Yu. Boldyrev regarding G. Yavlinskiy. For its part, the PST has suggested the idea of cooperation to A. Lukyanov, who categorically rejected it.

As for Svyatoslav Fedorov as a personality, his reputation and image play no small role here. In direct communication Fedorov usually manages to give the impression of a candid and honest politician who believes his own words unconditionally. His biography does not contain facts that basically compromise him. With an active propaganda campaign, the party related to his name will have a chance of becoming an influential force.

New Democratic Electoral Bloc To Be Created

MK1606074095 Moscow SEGODNYA in Russian 16 Jun 95 p 1

[Unattributed report: "One More Electoral Bloc Will Be Created Today"]

[FBIS Translated Text] On 16 June, a new electoral bloc is expected to be created which will include the "Russia's Democratic Choice" (RDC) party, the Party of Social Democracy, the "Women for Solidarity" organization, and the Committee of Russia's National Organizations. This information was given yesterday by the RDC press service. According to the press service, leaders of political movements "Russia's Choice" and "Democratic Russia," who are considering the possibility of joining the would-be bloc, are to be present at the signing.

Duma Deputy Murashev Forecasts Presidential Election

954F2538A Moscow ARGUMENTY I FAKTY in Russian Jun 95 No 24, p 5

[Interview with Arkadiy Murashev, State Duma deputy, by Andrey Uglanov; place and date not given: "Who Will Become President?"]

[FBIS Translated Text] Arkadiy Murashev was perhaps the most noticeable young politician in late Gorbachev-early Yeltsin times. Observing him today, it is possible to suppose that he is keeping a deep secret and is waiting for his hour. Meanwhile, being a State Duma deputy and a close associate of Yegor Gaydar, Arkadiy Murashev is an active participant in political intrigues. One of those who is preparing a scenario of two possible events of the

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end of this year and the middle of next year—elections to the Duma and to the presidency of Russia.

[Uglanov] Arkadiy Nikolayevich, according to some indications, Russia is past the shock zone. What in your opinion can we expect, for example, up to the year 2000?

[Murashev] From an economic, political, and international aspect the next four years will depend most of all on who becomes the second president of Russia.

In this sense the 1991 elections were defective. Not many guessed that the president of Russia could become the head of a superpower. Gorbachev had the nuclear button. But in 1996 the whole world, holding its breath, will wait to see whose finger will be on this same button. Already today, in a year, I can say that the stakes of the political groups are extremely high. At issue is the possibility of forming a government and managing state property. With his economic opportunities, this person could become the richest person in the world. And it all depends on the elections. Thus, the contenders and those who stand behind them will not spare any means to push a competitor aside.

[Uglanov] Even killing them?

[Murashev] It is not ruled out. This event will be of such an acute nature that I am already shuddering at the thought of it.

[Uglanov] Your point of view—the vision of a nightmare—is very convenient for those who would like to see the elections not held at all.

[Murashev] Here, I think, the civilian position of B. Yeltsin has absolutely key significance. If he wants to retain a positive image in history, he has to hold these elections. But whether he himself runs is his personal affair.

For objective reasons his team is well aware that it will not be needed by any Yeltsin successor. Therefore it will probably do everything possible to postpone the date of the elections and keep Yeltsin at the helm.

[Uglanov] So, let us assume that Boris Nikolayevich will not want to create obstacles on the path of the natural development of Russia. What are the tactics of the democrats in reaching the cherished goal—getting "post No. 1."

[Murashev] The main thing is the presidential elections. Therefore, in our strategy we are considering the parliamentary elections as our own kind of primary elections before the presidential elections. By their results we will determine who we will support in the presidential elections, who our most promising and acceptable candidate to the people will be, and who they will be prepared to vote for in the greatest degree. Yavlinskiy, for example, can say that he is now the strongest candidate. There is reason to assume that this is a serious assertion. Nevertheless, he has to prove this in the parliamentary elections. At present we have not lost to him. I have in mind our main current in the democratic movement that was born in the Interregional Deputy Group, which then became Democratic Russia and later—Russia's Choice, associated with Gaydar.

[Uglanov] Alas, the democrats are digging their own grave. It is simultaneously comical and sad when you clarify between yourselves which of you is the biggest democrat, thereby confusing your supporters.

[Murashev] Some progress has been noted in this respect. Both we and Yavlinskiy are prepared to sign an agreement. Given the best results in the parliamentary elections, the other side on that very day yields its claims, "puts itself" under one leader, and for the next half year works for him wholeheartedly. If this is Yavlinskiy, Russia's Choice switches to Grigoriy Alekseyevich. We will together begin to cultivate a president out of him. If it is the other way round, we will demand fulfillment of the agreement from him as well, and from his team.

It is most likely that we will sign the agreement in September, after the registration of all voters associations in the Central Election Commission and the conclusion of the collection of signatures for inclusion on the voting rolls. I do not think that many associations will be able to collect 200,000 signatures.

[Uglanov] But are you not afraid that Yavlinskiy will trick you? It is being whispered to him everywhere that he is the greatest....

[Murashev] I do not think so. And then this agreement concerns not only the two: Gaydar and Yavlinskiy. Boris Fedorov, who is still confident of victory, is also ready to sign the agreement. Fulfillment of the agreement will produce a candidate who can be viewed as a very powerful figure in the presidential elections.

[Uglanov] But besides those people you have indicated, there are others who also want.... What other variants are possible?

[Murashev] It is known that in order to take part in the first round of the presidential elections, it is necessary to collect a million signatures. This is a very difficult task. Nevertheless, the "party in power" is capable of doing this. Either Yeltsin, or Chernomyrdin. But the "party in power" will not sign an agreement with us. None of the negotiations we conducted with them on this question led to any results. It is amusing to imagine Chernomyrdin telling Yavlinskiy: "Well, that is it, I

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yield all my claims to you, Yavlinskiy—my future president." It is obvious that the "party in power" will have its own candidate. This will be either Yeltsin, or his successor.

[Uglanov] Who might this be?

[Murashev] For now, besides Yeltsin, there is talk about three other figures: Chernomyrdin, Rybkin, and Luzhkov. I regard them with tremendous respect. It seems to me that these are serious and, what is most important, absolutely acceptable candidates for Russia. If they would join our agreement, I would gladly support them in the presidential elections. The trouble is that they will not sign the agreement.

From my standpoint, the ideal president would be Sergey Adamovich Kovalev. With Prime Minister Yegor Gaydar. Because he would remain aloof from power, and would not begin to exploit it in any way. He would be president in our country like the queen of England. Not everyone will agree with me, but at least in parliamentary elections the popularity of these people will be brought out.

[Uglanov] But will the opposition be able to unite?

[Murashev] I think that the possibility of their coming to an agreement is even less than ours. There are two wings there: the communist wing, with various shades—from the Bolshevism of Nina Andreyeva and the populism of Anpilov to the fully respectable social-democracy of Zyuganov. And the noncommunist wing—the nationalist wing. They have close ties with the communists and they also have a huge spectrum—from Solzhenitsyn, who is respected by many, to the insane Barkashov and Limonov. They have a lot in common, but I do not think they can put forward one candidate.

[Uglanov] Apparently it is not that difficult to denote the circle of these contenders.

[Murashev] It seems to me that there are three figures in the opposition at a minimum who want to move independently and who have the material and manpower resources to collect the signatures and be nominated. First, the sole candidate from the communists—Gennadiy Zyuganov. Second—Aleksandr Rutskoy, the former vice president, who secured enormous material resources for himself in this post. He, evidently, will be supported by such nationalistically inclined members of the intelligentsia as A. Solzhenitsyn and N. Mikhaylov. And, finally, Vladimir Volfovich, who also possesses colossal money and the capabilities to collect signatures and participate in the campaign. Of course, some unexpected "swan" could emerge, but this is not very likely. There will be no more than six contenders.

[Uglanov] Let us assume that all those you named will be participants in the first round of presidential elections. What is your forecast for the one who will be left in the second round.

[Murashev] There are general principles that have been operating over the course of several years. And there are certain elementary ratios in public opinion that do not change. They are corroborated in all elections: About 60 percent of the voters in one or another form do not want to turn back, they do not want the totalitarian regime under which they lived before. A certain part of them are associated with the democrats, relatively speaking—half. A certain part—with power and centrism. Of those who want revenge and a return to either a communist or a tsarist past—they are about 35-40 percent. Of these, the communists have a smaller share than the noncommunist nationalists.

It is unlikely that people from the first camp will vote for candidates of the second camp, and vice versa. Inside the 40 "opposition" percentage, the one who is more to its liking will be chosen—Rutskoy or Zhirinovskiy. Inside the 60 percent also, the one who is better will be chosen—Yavlinskiy, Gaydar, Chernomyrdin, or even someone else.

It follows from an analysis of all previous referendums and elections that our strongest candidate and their strongest candidate will really come out of the second round. For example, of the Yavlinskiy-Zhirinovskiy pair, it is rather obvious that Yavlinskiy will win. Of the Chernomyrdin-Zyuganov pair, most likely Chernomyrdin. All these possible combinations can be predicted, proceeding from the basic ratio—60:40 percent. Therefore, I do not doubt our victory. Moreover, already in the first round of the presidential elections, the united democratic candidate has every chance of beating the "party in power." Then in the second round our party will receive its votes, which, naturally, will be given to us, and not to the irreconcilable opposition.

Such is my prediction for this key segment of time. After this a four-year period of stability will ensue in which political storms will break out in individual regions around the provincial elections....

Editor Accuses Authorities of Lies, Ineptitude

MK1606111095 Moscow MOSKOVSKAYA PRAVDA in Russian 16 Jun 95 p 1

[Report by Shod Muladzhanov, chief editor: "Thunder Has Struck. There Is Nobody To Cross Himself" [allu-

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sion to Russian proverb: 'Until thunder has struck, the muzhik will not cross himself']]

[FBIS Translated Text] The way from victory to disaster is very short — this we know for sure. How many times we have been assured about "a full and final [victory]...." Yet this was about some theoretical, global matters. But when it comes to a concrete situation, victories and failures generally merge together, not allowing us to perceive the wisdom and omnipotence of the ruling establishment. The most shining example — naturally, after the historical, or rather hysterical, "victory over inflation" — are the tragic events in Chechnya.

Colonel General Kvashnin, commander in chief of the North Caucasus Military District, on the afternoon of 14 June officially announced to the people: The mountain war in Chechnya is over. This should have put us on our guard: We should have paid attention to the word "mountain," not "is over." But we relaxed. Especially considering that three hours earlier the teletype had brought yet another victorious report — from Lieutenant General Rozhkov, first deputy chief of the Federal Border Service Directorate: Apparently additional measures had been taken to "reinforce the protection of the administrative border with Chechnya." Confronted with what later turned out to be an intuitive question from a journalist about whether isolated groups of gunmen could not break out of Chechnya, the brave general responded in sharply negative terms, possibly even with some bitterness in his voice. To do that, he stated, the remaining formations need a coordinating body, which is now absent; and furthermore, federal forces have sealed off groups of gunmen and will not let them out of encirclement.

In a word, victory! That is to say, hurrah! In other words, disaster is around the corner. And it was not slow in coming, on the same day. The large-scale terrorist act in Budennovsk is not just a sortie by a gang of thugs. It shows that the situation in the region is out of control. Dilettantism and deception — these words could be the byword of the entire Chechen epic. And at the current stage they are manifesting themselves with fresh vigor. The seemingly finished war continues — not only in Chechnya, but on purely Russian soil. The bloody spray from the dirty puddle has spattered in every direction — in full conformity with the laws of nature. And, in full conformity with our political traditions, reaction followed only after dozens of people were killed. How long should one have listened to statements from Dudayev's associates and warnings from experienced specialists in the military and crime control sphere in order finally to take effective measures to seal off Chechnya's territory? Were the many months of war not enough to show that federal troops are fighting professional fanatics, determined to fight to the end? Why then are we all being called on to be vigilant if what is needed are efficient actions by the army, counterintelligence, and militia — not the waving of one's fists in the air after yet another fight?

The government begins to think about the seismic stability of buildings after devastating earthquakes. It begins to think about order on the currency market after "Black Tuesdays." About food supplies, after the blocking of imports and failure of the spring planting effort. About the need to fight extremism, after it has been instilled into the minds of millions of voters. After the tragedy in the Stavropol region much will apparently be done to guard against the threat of new terrorist acts. But one and the same question keeps cropping up: Why are our president and government totally lacking the ability to anticipate the course of events, to take preemptive measures to protect the country and its citizens? Why should action be prompted by disaster? And how long shall we continue to swallow explanations as to why the same people remain in their posts? Their incompetence and dilettantism have been demonstrated on too many occasions. Thunder never stops rumbling — in the economic, social, political, and military spheres. And there is nobody to cross himself. Everything that happens is presented as an act of God. While they continue playing tennis for the Big Hat [pun, "shlyapa" also meaning feeble, helpless person] prize. Why do they fight for this title? Even now all the participants in this closed tournament seem to be worthy of it.

True, the premier has returned from his vacation — either really having decided to do something after the tragedy in Budennovsk or wishing to see the president off to Halifax in person. And to assure him strongly, vigorously, and unequivocally: Do not worry, Boris Nikolayevich, we shall stick up for the country; we shall punish the bandits and help the victims; the enemy will not come to pass; we shall emerge victorious.

We shall, but for how long? Even with respect to Chechnya, what is the meaning of the policy pursued there by the federal authorities? Okay, the gunmen have been driven out from everywhere but who will take over? Have the new bosses been brought from Moscow, or maybe they have fallen from the Moon? No, the same local bosses occupy chairs and take up offices in administrative buildings which are being restored ahead of schools and hospitals. Are they pro- or anti-Dudayev? God knows. What policy will they pursue? Who knows? Why then all the fighting, destruction, and elimination, with hundreds of lives lost and taken?

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A new threat is in the offing — a social threat. The food price hikes pending in August-September will produce such a devastating effect that everybody will be affected. And again a familiar face will emerge on the TV screen, with a mournful/brave expression, to say: We shall punish those guilty; we shall help the victims; we shall put the situation under control, and we shall emerge victorious.

Russia is a-ringing. This may be bells tolling, or it may be political clamor.

Constitutional Court Failing To Meet Expectations

MM1506155495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 Jun 95 p 1

[Article by Aleksandr Gamov under the "Topic of the Day" rubric: "The Constitutional Court Is Not a Fire Brigade. But What If There Is a Fire?"]

[FBIS Translated Text] In forming its new staff with the assistance of the Federation Council, our Constitutional Court took so long in carefully trying on the irresistible black robes of office that we began to hope that we would finally get a genuinely independent body unsullied by political wrangling. But it seems that the first days and months of its operation are by no means justifying these hopes in all respects.

Back in April a group of 93 State Duma deputies sent a request to 21 Ilyinka Street to verify whether certain acts concerning the Chechnya crisis are constitutional. It concerned inter alia the November Presidential Edict "On the Main Provisions of the Russian Federation's Military Doctrine" and the December government decree "On Guaranteeing the Russian Federation's State Security and Territorial Integrity...." In the opinion of the deputies, these legal acts are being used to justify military actions which are leading to the death of civilians.

Maybe the deputies are, as always, exaggerating. But it is their right to receive an immediate and clear response from the Constitutional Court. Imagine the deputies' surprise when at the end of two months they received a reply from Constitutional Court Secretariat Chief Yuriy Kudryavtsev, who informed them on behalf of the chairman, Vladimir Tumanov, that "the appeal proceedings...have not yet begun...in connection with a proposed appeal by the Federation Council on the same question " He says that both documents can be examined at the same time in accordance with the Law on the Constitutional Court (Article 48). The reply also says that the "Federation Council somewhat delayed sending its appeal to the Constitutional Court" and, as it says, a request was finally received from it and a decision will be adopted to examine it at the next plenary session.

One of the authors of the deputies' request, former Russian Justice Minister Yuriy Kalmykov, made the following comments on this message:

"The situation is more than strange. Discussions have been in progress for a long time now on the Federation Council's intention to appeal to the Constitutional Court about the question of human rights abuses in Chechnya. We also know that the speaker of the upper chamber, Vladimir Shumeyko, stood in the way of this for a long time. In accordance with the Russian Federation Constitution, we have a right to appeal independently to the aforementioned body. Our views should be examined — what is more within a two-month period — irrespective of whether someone else intends to send a similar request to the court. Under these circumstances it should be attached to the existing one. That is all."

The Constitutional Court has also filed away an appeal from State Duma deputies about the law adopted by the Kabardino-Balkar parliament which says that henceforward "until the situation in the North Caucasus stabilizes" permission will have to be sought to hold rallies and meetings when before it was sufficient to issue notification of their taking place — which, in the opinion of the deputies, clearly restricts the rights and freedoms of the republic's citizens. The deputies demanded an explanation from the court: Why, they said, are you being so slow? The reply came: The judges are busy — some are abroad on business, some are examiners in the state examinations, and there is much else to do besides. At present the Duma deputies are racking their brains over whether it is possible that evaluation of the acts concerning events in Chechnya and the North Caucasus in general is deliberately being delayed until later in the hope that the problems will in time become less acute.

Such an attitude on the part of the Russian Constitutional Court toward the deputies' requests naturally causes their authors to suspect that our independent judicial body has again fallen under the influence of certain power structures hardly before getting down to work, and is being guided in its activities by clear political directives. One would like not to believe this. But facts, as they say, are facts....

Vladimir Tumanov loves to repeat these words: The Constitutional Court is not a fire brigade. But what if there is a fire in the country?

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Judicial Reform Seen as 'Genuine' Advance

MM1606152695 Moscow ROSSIYSKIYE VESTI in Russian 14 Jun 95 p 2

[Article by Dmitriy Orlov: "For Justice You Go to Court, Not to the Party Committee"]

[FBIS Translated Text] To quote the Russian president's message to the Federal Assembly: "Without proper judicial authorities the branches of state power are not effective, and as a consequence the state system as a whole remains unstable."

The reader will remember to whom you had to turn about problems of property, housing, and defamation of character in the unforgettable prereform period if you were to have any success. To the various levels of party committee, of course, from the plant party committee to the party Central Committee.

Appeals to party bureaucrats did, of course, have one advantage - - the relative speed with which they responded. But there was no question of hearing out all the sides' arguments in a particular matter or, more important, of guaranteeing their equality. The rules of the game were dictated by the boss — the CPSU.

Judicial reform is one of the genuine initiatives of Russia's period of radical reforms. "The Russian judiciary started a new chapter in its history in 1991," Supreme Court Chairman Vyacheslav Lebedev considers. The Law "On the Status of Judges," which provided the purveyors of justice with a guarantee of their independence and security of tenure, enabled them to recognize their corporate interests. Today the judges are by no means as weak- willed as they were, say, ten years ago: They actively and consistently defend their interests.

The first cases involving jurors found both sides — the prosecutors and defense attorney — somewhat unprepared for a serious contest. However, the situation has changed radically eighteen months after the introduction of the institution of the jury. The prosecutors check the quality of evidence gathered by the investigation agencies extremely carefully, and the defense attorneys often carry out complete mini-investigations in the interests of their clients. The role of the judge in the trial has also changed. This is how Svetlana Marasanova, deputy chairman of the Moscow Oblast Court, evaluates the changes: "Just recently the judge was everything; today he is left with his natural role — that of arbiter.

During the years of the reforms, a whole new branch of legal procedure — constitutional justice — has been created in the country. At first it proved very difficult to shape. During the initial period of its operation the Constitutional Court was often occupied with asserting itself. But since March of this year the majority of cases heard by the Constitutional Court have concerned people's specific needs, including the right to strike and the rights to housing and freedom of movement. "If anybody considers that these are trifles, they are deeply mistaken," Constitutional Court Chairman Vladimir Tumanov says.

Of course, quite a few problems still remain in the working of the judicial system. They include the different views on whether or not to create a special department for the courts and on their underfunding. Almost 4 years ago, back on 3 September 1991, the Russian Federation president gave orders for CPSU rayon committee buildings to be handed over to the courts. Unfortunately, much more influential organizations "got their hands on" these very convenient buildings. So crowds of people have been forced to literally storm the dilapidated little buildings where the courts are currently located, and they complain: Surely the state can find more suitable buildings for them. On 23 May 1995, Russian President Boris Yeltsin made the leaders of the organs of executive power personally responsible for handing over party committee buildings to the courts.

The semi-scornful attitude toward the "third estate" on the part of the other two branches of power still persists. But what assessment of a situation can you make in which the Federation Council sends the Constitutional Court a request for information about violations of the Federal Law "On the Constitutional Court"? "Ordinary citizens are more competent in their appeals to us," Vladimir Tumanov observed in connection with this matter.

Instances of direct pressure being exerted on the courts not only by administration heads but by important businessmen are common. A judge from a Moscow intermunicipal court told your ROSSIYSKIYE VESTI correspondent about the methods that representatives of a large investment company used to "bring pressure to bear" on him. "At first they called me on the telephone. Every day. Initially they offered me $2,000 for a positive outcome to the case, then it was increased to $5,000, then to $15,000. Then they began to threaten me." Such a thing could only happen because judges are in practical terms defenseless and enjoy very little public support at all.

Incidentally, on the subject of the public. Amazing though it may seem, people do not appear to grasp the significance of the judicial system — a significance which is not abstract but concrete, and which affects the life of every person. This attitude can only be changed by serving on a jury.

When jurors — who are regular guys — come to court sessions, they radically change their way of thinking

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as well even as their behavior. What we are dealing with here is a kind of popular justice: Intuition and experience prompt metal workers, drivers, doctors, and teachers how to act.

The famous Russian legal expert and vice president of the Russian Academy of Sciences, Vladimir Kudryavtsev, said to your ROSSIYSKIYE VESTI correspondent that what is essential for the effective operation of the judicial reform is well-balanced legislation without internal contradictions, a constructive moral and psychological atmosphere for the judges to work in, and finally new personnel whose concept of the law has not been perverted by the Bolshevik regime.

But in the final count it is on you and me — the ordinary citizens of Russia — that the judicial system's future efficacy depends. There is no doubt that this should happen: After all, we are today already going to court for justice — in major and minor matters — and not to the party committee.

'Some Progress' in Combating Organized Crime

MM1506160195 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 95 First Edition pp 1-2

[Interview with Colonel General of Police Mikhail Yegorov, Russian first deputy minister of internal affairs and chief of the Main Administration for Organized Crime, by Boris Yamshanov under the "At First Hand" rubric; place and date not given: "You Can't Get Rid of Gangsters in a Year"]

[FBIS Translated Text] On 14 June 1994, Edict of the Russian Federation President No. 1226 "On Urgent Measures To Protect the Population From Gangsterism and Other Manifestations of Organized Crime" was signed. A year has passed. What has changed? That is the subject of our conversation with Colonel General of Police Mikhail Yegorov, Russian first deputy minister of internal affairs and chief of the Main Administration for Organized Crime.

[Yamshanov] Mikhail Konstantinovich, the edict, as we know, met with a mixed reception in society from the outset. Not only that, it prompted anxiety in some people, who feared violations of human rights. Now, after the passage of a year, how do you assess the document and what real benefit has it brought society?

[Yegorov] The past year was not easy for us, and indeed, fighting organized crime can never be easy. I will tell you clearly: The edict pursues those goals, and no others. I think people have realized that.

It is no secret that the crime situation in the country is still complex. All the same, there has been some progress. The edict made it possible to halt the spread of crime, which could have been hard to predict, and that is its main merit.

The results of work over the year allow us to present the following figures: 22,500 people were detained on the basis of Article 1 of the edict, more than 16,000 of them were charged, and nearly 13,000 were arrested. That article, which gives the organs the right to detain suspects for up to 30 days, was the one that prompted objections. But what can you do if, say, an organized gang of 20-30 people are detained (and there can be even more than that) — how can you study in depth the extent of each one's involvement in the gang's criminal acts in just three days?

It would certainly be better to do without such measures, but we are forced into it for the sake of what is most important — curbing criminal excesses. As for legality in implementing the edict, in the course of the year there has been a total of 202 complaints, of which 18 were upheld, and three criminal cases were brought, though admittedly evidence that a crime had indeed been committed was not found in a single case. Some 40 staffers of the organs have been disciplined.

[Yamshanov] The edict granted you fairly wide opportunities. How are these being used, what has been done over the past months?

[Yegorov] Implementing the edict required us to formulate a concept of operations, and that was done. Operations staffs have been set up in all regions to coordinate the services' activities, and a list has been drawn up of cities and individual localities to be placed under special observation because of the unfavorable operational situation. In Russia as a whole there are 170 cities and 150 rayons in this category. More than 322,000 staffers of more than 570 internal affairs organs are carrying out an intensified form of duty.

Judging from the viewpoint of operational-investigative activities, here we are already in a position to speak of a more profound penetration of the criminal milieu, which, let me note, is not at all easy, and results here are not achieved instantly. However, by the second half of 1994 it had already become possible to send to the courts three times more criminal cases involving organized criminal groups than had previously been solved in five years or more.

In all, around 200,000 operational- investigative measures have been carried out, more than 7,000 expert reports have been prepared, the documentation of nearly 82,000 enterprises, institutions, and organizations has been studied, and over 75,000 additional members of organized criminal associations have been identified.

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[Yamshanov] What are the main spheres in which work to fulfill the edict is taking place?

[Yegorov] First and foremost, the struggle against gangsterism. While, for instance, 14 criminal cases were brought for gangsterism in 1990 and 18 in 1991, in 1994 the figure was 263, and 241 of these followed the edict.

In Voronezh, for instance, they arrested 29 members of the Ivnitskiy brothers' gang, who had committed more than 150 serious crimes, including an attack on the garrison guard detail, where 34 automatic weapons and grenade throwers were seized, and two thefts in which 93 automatic weapons, 301 pistols, and 4,000 rounds of ammunition were stolen. In Kaliningrad Oblast the activities of two gangs that had committed five contract killings were stopped. Today we can say that the struggle against gangsterism in Russia has gotten off the ground.

The second area is weapons, which are becoming a profitable business. Some 12,000 firearms and nearly two tonnes of explosives have been confiscated from 950 people who were detained on suspicion.

For instance, grenade throwers, grenades, remote-controlled explosive devices, and plastic mines were confiscated from arrested criminals belonging to the Dzhafarov gang in Bashkortostan. That gang had legitimate economic organizations, a counterintelligence system, a clear hierarchical structure, and channels for the supply of weapons from Moscow, Tula, and Chechnya.

Our office initiated the drawing up of a comprehensive plan of measures to prevent, crack down on, and detect crimes of this type, first and foremost in the North Caucasus region, where operation "Doroga" ["Road"] is in progress, designed to stop the flow of weapons to and from Chechnya. There, we have confiscated nearly 400 grenade throwers and missile launchers and even four tanks.

Third, there is extortion, contract killings, and robbery on the highways, where we are also beginning to impose order. Things have already become comparatively calm on the highways. We have identified eight transport arteries where the situation is more serious, and forces and resources are now being concentrated there in order decisively to improve the situation.

[Yamshanov] Could you tell us how things stand as regards solving the murders that have had a wide public resonance, such as the murders of Listyev, Men, and State Duma Deputies Skorochkin and Ayzderdzis?

[Yegorov] The murders of Skorochkin and Ayzderdzis have been solved, the materials have been submitted to the courts. The Listyev murder is being investigated, the team has everything it needs and the stories appear justified. The departure of the investigator Boris Uvarov, which some of the mass media made a lot of noise about, was because of routine leave and should not affect the course of the investigation. On the Men murder, sufficient evidence has been collected for the case to be handed over to the courts, which have to get to the bottom of a complex situation.

In all, 148 contract killings were solved over the past year. I don't want to tempt fate, but the results of the past five months indicate that for the first time in recent years the number of murders in the country has stopped growing. The detection rate was 75 percent.

[Yamshanov] There is a widespread view that criminals are detained solely for show, and are then released and go free. Take the notorious Yaponchik, who actually ended up in America.

[Yegorov] There are cases of corruption even among MVD [Ministry of Internal Affairs] staffers. The police get rid of people like that without delay, and there is a constant process of cleaning up the police.

But the real problem here is something else. It is not enough to know that a given group of people are a gang. You also have to prove it. As the saying goes, he's not a thief until you catch him. And that's not so easy.

But even if we arrest someone, after that it is other organs that run the show. For instance, in the period of the edict's operation, of the 12,000 people I mentioned who have been arrested, a proportion, including dangerous criminals, have unjustifiably been released from custody.

Thus, the Pyatigorsk people's judge released from custody the accused Seropyan, from whom four automatic weapons, 15 grenades, three rifles, explosives, etc., were confiscated on his arrest. The Vologda people's judge released Dzhabarov, who was under investigation, on the grounds that in his opinion the president's edict is unconstitutional.... There have been similar instances in Ryazan and Chelyabinsk Oblasts, St. Petersburg, and Kalmykia.

Alternative means of ensuring a defendant's attendance, such as a signed statement of intent not to leave the area and monetary bail, have been adopted almost everywhere. Naturally, in response to such "humanitarianism" on the part of the investigative organs, the prosecutor's office, or the court, the gangster promptly makes a run for it, and internal affairs staffers have to find him and catch him again.

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Incidentally, Ivankov, alias Yaponchik, the leader of the criminal world whom you mentioned, left Russia in 1992 after the Supreme Court collegium amended to 10 years the deterrent measures imposed on him for the crimes he had committed and he walked free. We raised the question of his case repeatedly at international level, including at the Ottawa conference last year.

In America he did not change, he continued to live a life of crime. The level of his "income" can be judged from the fact that he lost more than $30,000 in the casino in three days. He was arrested for crimes committed in the United States and is due to appear before an American court, which, incidentally, imposes sentences of between 20 and 100 years or more for such "pranks."

This case is a good illustration of practical cooperation between our organs and our colleagues abroad. It should serve as a warning to those who get up to mischief in Russia and then expect to take refuge in faraway America or some other country, like Solonik, for instance. Criminal proceedings have been instituted in his case and when the criminal is caught the details will become known. Or take another criminal, Barnev, who stole 750 million and fled to the United States, was extradited by the Americans, and is now "residing" in places of incarceration. Let us hope that in the near future the same will happen to all of them.

[Yamshanov] How do you explain the wide expansion of organized crime, and what are your predictions regarding its eradication, what do the organs of law and order need for this?

[Yegorov] The main cause of crime is the economic confusion in the transitional period from the planned, edict-based economy to the market economy and the lack of a legislative base governing relations within it. In America, for instance, where economic questions are covered down to the fine details by legislation, the mafia is only left with the illegal drugs trade. In our country the really big money is being made in the economy, and here the scope is boundless.

That is why we badly need a proper legislative base, which, moreover, would not imitate models from other, well-off countries, but would take account of Russia's specific characteristics. The draft law on organized crime that was submitted to the Duma for discussion was perfected there to a ridiculous extent. For instance, even the term organized crime presupposes the participation of not less than two groups. If there is just one gang, even if there are 200 people in it, apparently that does not count as organized crime....

I have said nothing about such forms of criminal activity as fraudulent business, various kinds of inflated funds, or the shameless deception of fellow citizens by dozens of unscrupulous methods. Such cases create great tension in society, but nobody is held accountable for them.

We are often accused of being unable to cope with crime. I would like to remind you that we are not building a police state, but a rule-of-law state, and that means that citizens' protection must be ensured first and foremost by legislative means, with the law-and- order services' efforts backing up the authority of the laws.

But at the moment these organs are basically left to pull a heavy load on their own. Today, the MVD investigates 95 percent of all criminal cases. And I would not swap one of our detectives for any foreign one. For the most part they are honest, skilled, and selfless people who take on anything that you throw at them. It is another matter, however, that for their hard labor they ought to be paid what they deserve, but apparently that is a general problem too at the moment, so people don't complain.

I hope, all the same, that we will get decent wages and — most important — a legislative base.

[Yamshanov] So it's up to the State Duma?

[Yegorov] It's up to the Federal Assembly.

Law on Criminal Code Amendments, Additions

954F2533A Moscow DELOVOY MIR in Russian 9 Jun 95 p 6

["Federal Law of the Russian Federation: On the Introduction of Amendments and Additions to the RSFSR Criminal Code and RSFSR Code on Administrative Offenses; Adopted by the State Duma and Approved by the Federation Council, 24 March 1995"]

[FBIS Translated Text] Article 1. To insert the following amendments and additions to the RSFSR Criminal Code (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR, 1960, No. 40, Art. 591; 1982, No. 49, Art. 1821; 1990, No. 1, Art. 3; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV RSFSR I VERKHOVNOGO SOVETA RSFSR, 1990, No. 21, Art. 232; 1991, No. 18, Art. 567; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1992, No. 47, Art. 2664):

1. Articles 132, 133, and 133-1 shall read as follows:

"Article 132. Obstruction of the exercise of electoral rights by a Russian Federation citizen or of the work of an electoral commission

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"Obstruction of the free exercise of electoral rights by a Russian Federation citizen or his right to participate in referendum, or obstruction of the work of an electoral commission (commission on conduct of a referendum) or that of members of an electoral commission (commission on conduct of a referendum), this obstruction being associated with bribery, fraud, the use of force or threat of such use, or the destruction of property or threat of destruction of property—

"is punishable by imprisonment for a term of up to three years or fine of up to 200 times the minimum wage.

"The same actions committed by a responsible official through abuse of his official position, or by an individual on whom a citizen was financially or job-wise dependent—

"is punishable by imprisonment for a term of one to three years or fine of 200 to 300 times the minimum wage.

"Actions stipulated in parts 1 and 2 of this article which are committed by an organized group—

"are punishable by imprisonment for a term of three to five years.

"Article 133. Forgery or falsification of election documents (referendum documents), intentionally incorrect tallying of the vote or determination of the results of an election (referendum)

"Forgery, i.e., the insertion in election documents (referendum documents) by an electoral commission (commission for conduct of a referendum) member or by an individual certifying the correctness of a signature list, including insertions in voter lists and signature lists, of intentionally erroneous information or erroneous entries, the falsification or erasure of information in such documents, annotation with a different date, compilation or issue by these persons of documents they know to be false, or the intentionally incorrect tallying of votes or determination of the results of an election (referendum)—

"is punishable by imprisonment for a term of up to three years or fine of up to 300 times the minimum wage.

"The forgery of documents as indicated in part 1 of this article or intentional distortion of the results of an election (referendum) committed by another person—

"is punishable by imprisonment for a term of up to two years or fine of up to 200 times the minimum wage.

"Compulsion to commit actions envisaged by parts 1 and 2 of this article, associated with bribery, fraud, the use of force or threat of such use, or the destruction of property or threat of destruction of property, as well as such compulsion effected by virtue of abuse of position on the part of a responsible official—

"is punishable by imprisonment for a term of one to five years or fine of 200 to 400 times the minimum wage.

"Article 133-1. Violation of electoral legislation (legislation on referendums) committed by an individual previously subject to administrative penalty

"Violation of electoral legislation (legislation on referendums) committed by an individual who has been subject to administrative penalty for such violations within a period of one year—

"is punishable by imprisonment for a term of six months to two years or fine of up to 200 times the minimum wage."

Article 2. To insert the following amendments and additions to the RSFSR Code on Administrative Offenses (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR, 1984, No. 27, Art. 909; 1985, No. 40, Art. 1398; 1986, No. 6, Art. 176; No. 23, Art. 638; 1987, No. 27, Art. 961; 1988, No. 12, Art. 341; No. 31, Art. 1005; 1989, No. 10, Art. 246; No. 50, Art. 1477; 1990, No. 1, Art. 3; No. 10, Art. 287; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV RSFSR I VERKHOVNOGO SOVETA RSFSR, 1990, No. 21, Art. 232; 1991, No. 15, Art. 492; No. 18, Art. 567; No. 52, Art. 1867; 1992, No. 3, Art. 86; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1992, No. 17, Art. 894; 1993, No. 32, Art. 1231; No. 33, Art. 1313; SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 6, Art. 453; ROSSIYSKAYA GAZETA, 1995, 15 March, No. 52):

1. Articles 40-1 through 40-5 shall read as follows:

"Article 40-1. Obstruction of the exercise of electoral rights by a Russian Federation citizen or of the work of an electoral commission

"Obstruction of the free exercise of electoral rights by a Russian Federation citizen or his right to participate in referendum, as well as violating the principle of secret ballot—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage; when committed by a responsible official—20 to 100 times the minimum wage.

"Obstruction of the work of an electoral commission (commission on conduct of a referendum) by a responsible official, or interference on the part of a responsible

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official in the work of such a commission or in the activity of members of an electoral commission (commission on conduct of a referendum) related to the performance of their official duties—

"entails the imposition of a fine in the amount of 20 to 100 times the minimum wage.

"Failure on the part of responsible officials to present to an electoral commission (commission for conduct of a referendum) information and materials essential to its operation, or failure on their part to carry out decisions of such a commission adopted within the framework of its competence--

"entails the imposition of a fine in the amount of 10 to 20 times the minimum wage.

"Article 40-2. Conduct of campaign activity when such activity is prohibited

"The conduct of campaign activity in connection with elections (referendum) when such activity is prohibited by federal law, or by laws or other normative legal acts of the legislative (representational) organs of state authority of Russian Federation entities—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage.

"Article 40-3. Propagation of false information concerning a candidate

"Propagation of false information concerning a candidate for deputy or other elective office through published materials or other means, with the aim of influencing the outcome of an election—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage; when committed by a responsible official—20 to 100 times the minimum wage.

"Article 40-4. Violation of the rights of a member of an electoral commission (commission for conduct of a referendum), observer, or foreign (international) observer

"Violation of the law-established rights of a member of an electoral commission (commission for conduct of a referendum), proxy of an electoral association or candidate for deputy, observer, or foreign (international) observer—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage.

"Article 40-5. Violation of the right of citizens to familiarize themselves with voter lists

"Violation by a member of an electoral commission (commission for conduct of a referendum) of the right of citizens to familiarize themselves with voter lists (lists of individuals having the right to participate in a referendum), failure to examine within the period prescribed by law a statement alleging irregularities in a voter list, refusal to provide a written response to a citizen explaining the reasons behind rejection of a statement alleging irregularities in a voter list (list of individuals having the right to participate in a referendum), or failure to execute a court decision on rectification of a voter list (list of individuals having the right to participate in a referendum) within the prescribed time frame—

"entails the imposition of a fine of up to 10 times the minimum wage upon the guilty member of the electoral commission (commission for conduct of a referendum)."

2. To add the following articles to the RSFSR Code on Administrative Offenses:

"Article 40-6. Issue of election ballots (voting ballots) to citizens with the aim of affording them the opportunity to vote on behalf of others

"The issue by a member of an electoral commission (commission for conduct of a referendum) of election ballots (voting ballots) to citizens with the aim of affording them the opportunity to vote on behalf of others—

"entails the imposition of a fine in the amount of 10 to 20 times the minimum wage.

"Article 40-7. Refusal of an employer to afford leave for participation in an election (referendum)

"The refusal of management (an employer) to afford a registered candidate for deputy or other elective office, proxy of a candidate, or member of an electoral commission leave as prescribed by law to participate in the preparation or conduct of an election to the organs of state authority or organs of local self-government (referendum)—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage.

"Article 40-8. Violation of the conditions for conducting campaign activity through the mass media

"The violation by a journalist or by the mass media of the conditions for conducting campaign activity as prescribed by electoral legislation (legislation on referendums)—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage upon the editor in chief, other responsible official, or journalist in question.

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"Article 40-9. Production or distribution of anonymous campaign materials

"The production or distribution, during a period of preparation for and conduct of an election to the organs of state authority or organs of local self-government (referendum), of printed campaign materials not containing information on the organization or persons responsible for their issue—

"entails the imposition of a fine in the amount of 10 to 50 times the minimum wage.

"Article 40-10. Intentional destruction or damage to printed campaign materials

"Intentional destruction or damage inflicted on the portraits of candidates for deputy or other elective office, posters with biographical information on candidates, or other printed campaign materials posted on buildings, structures, or other facilities with the consent of the owner or proprietor of such facilities—

"entails the imposition of a fine in the amount of up to 10 times the minimum wage.

"Article 40-11. Failure to present or to publish reports on the expenditure of funds for preparation for and conduct of an election (referendum)

"Failure on the part of a candidate, an individual elected to the office of deputy or other elective office, or electoral association (electoral bloc), to present information on the amounts of receipts (contributions) credited to election funds or information on the sources of such election funds, or failure to present a report on all expenses incurred in the conduct of an election—

"entails the imposition of a fine in the amount of 10 to 100 times the minimum wage upon the candidate, individual elected to the office of deputy or other elective office, or authorized representative of the electoral association.

"Failure on the part of the chairman of an electoral commission (commission for conduct of a referendum) or person acting on his behalf to publish, within the time frame prescribed by law, a report on the expenditure of budget funds allocated for preparation for and conduct of an election to the organs of state authority or organs of local self-government (referendum), or to publish information and reports as indicated in part 1 of this article—

"entails the imposition of a fine in the amount of up to 15 times the minimum wage.

"Article 40-12. Illegal receipt of contributions by a candidate or electoral association (electoral bloc)

"The illegal receipt by a candidate for deputy or other elective office, or by an electoral association (electoral bloc), of contributions in any form from a foreign state, foreign citizen, foreign organization, international organization, international social association, or Russian juridical entity with foreign participation—

"entails the imposition of a fine in the amount of three times the amount of contribution, along with confiscation of the contribution, upon the candidate or authorized representative of the electoral association (electoral bloc) in question.

"Article 40-13. Failure to present or to publish information on the results of voting or final election results

"Failure on the part of the chairman of a precinct electoral commission to present information on voting results required to be presented, in accordance with existing legislation, to a Russian Federation citizen or foreign (international) observer for their familiarization—

"entails the imposition of a fine in the amount of five to 10 times the minimum wage.

"The same act committed by the chairman of a territorial electoral commission, as well as such individual's violation of the time frame for publication of information prescribed by electoral legislation on the voting results in an election (referendum) or incomplete publication of such information—

"entail the imposition of a fine in the amount of 10 to 50 times the minimum wage.

"The same acts committed by the chairman of a district electoral commission, as well as such individual's violation of the time frame for publication of information prescribed by electoral legislation on the voting results in an election (referendum) or incomplete publication of such information—

"entail the imposition of a fine in the amount of 15 to 20 times the minimum wage.

"The same acts committed by the chairman of an electoral commission of a Russian Federation entity—

"entail the imposition of a fine in the amount of 20 to 50 times the minimum wage.

"The same acts committed by the chairman of the Russian Federation Central Electoral Commission—

"entail the imposition of a fine in the amount of 50 to 100 times the minimum wage."

3. Article 202 shall read as follows:

"Article 202. Rayon (city) people's courts (people's judges).

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"People's judges of rayon (city) people's courts examine cases dealing with administrative offenses envisaged by Articles 40-1 through 40-13, 44, 46-1, 49, 49-1, 104-1, 137, 146, 146-3 through 146-6, 150, 150-2, 151, 156, 158, the third part of Article 162, Articles 164-1, 165 through 165-3, 165-5, 165-6, 165-8, 166-1, 167, 171-1 through 171-3, 183-1, 183-2, 193-1, and 193-2 of this code."

4. The second part of Article 247 shall read as follows:

"In the examination of cases dealing with administrative offenses envisaged by Articles 40-1 through 40-13, 46-1, 49, 137, 150, 150-2, 151, 158, the third part of Article 162, Articles 165 through 165-3, 165-5, 165-8, 166-1, 167, 171-1 through 171-3, and 183 through 183-3 of this code, persons charged with administrative offenses are required to be present. In the event such an individual fails to appear as directed by an internal affairs organ, border troops, or people's judge without valid cause, he may be taken into custody by an internal affairs (police) organ."

5. The second part of Article 257 shall read as follows:

"Cases dealing with administrative offenses envisaged by Articles 40-1, 40-2, 40-4 through 40-6, 40-10, 44, 153, 158, the first, second, and third parts of Article 162, Articles 165 through 165-3, and 165-5 of this code shall be examined in one day; those envisaged by Articles 137, 146-3 through 146-5, 150, 150-2, 150-3, 151, and 166-1 of this code—within three days; those envisaged by Articles 46-1 and 49 of this code—within five days; and those envisaged by Articles 93 through 95, 146, 156, and 165-6 of this code—within seven days."

6. The first part of Article 274 shall read as follows:

"The ruling of a people's judge in a case dealing with an administrative offense envisaged by Articles 40-1 through 40-13, 44, 46-1, 49, 49-1, 104-1, 137, 150, 150-2, 151, 158, the third part of Article 162, Articles 164-1, 165 through 165-3, 165-6, 166-1, 167, 171-1 through 171-3 of this code may be repealed or amended upon protest registered by the procurator, or regardless of registration of such protest—by the presiding officer of a higher-level court."

Article 3. This federal law enters into force as of its date of official publication.

[Signed] President of the Russian Federation B. Yeltsin

28 April 1995, No. 66-FZ

Federal Program Against Drug Abuse Published

MM1606123695 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 95 First Edition p 5

["Federal Targeted Program of 'Comprehensive Measures To Combat Drug Abuse and Illegal Drug Trafficking in 1995-1997'" — from the "Document" section]

[FBIS Translated Text] Elaborated in compliance with the Russian Federation Government's instruction and in accordance with the Concept of a State Policy To Control Drugs in the Russian Federation, the program takes account of the provisions of the Russian Federation Federal Program for Stepping Up the Fight Against Crime in 1994-1995.

Characteristics of the Situation

In recent years drug abuse and illegal drug trafficking have become one of the most serious global problems and are causing increasing alarm throughout the entire world community. Today there is nowhere on the planet where these dangerous phenomena have not been manifested, with all their negative aspects. In order to combine efforts in the fight against the spread of drug addiction, special international organizations have been set up and are operating and programs involving joint action between states are being adopted and implemented. Announcing the Decade (1991-2000) of the Fight Against Drug Abuse, the UN General Assembly proposed that every government adopt a comprehensive national program to counter this abuse.

In the Russian Federation drug addiction and the crime associated with it are assuming increasingly significant proportions and in the most substantial way are affecting the moral and psychological atmosphere in society and adversely affecting the economy, politics, and law and order. There is a steady increase in the number of people using drugs for nonmedical purposes. Sociological research shows that this number currently stands at over 1.5 million, and by the year 2000 a twofold increase in the number of such people is forecast. The widespread nature of drug addiction among young people is causing particular concern. Almost two-thirds of drug users are people aged up to 30, and drug addiction among children and juveniles is on the increase.

Drug-related crime is also increasing. In the last 10 years the number of such crimes has increased almost fourfold and in 1993 exceeded 50,000. In some regions up to 60 percent of crimes against property are drug-related. Progressively worsening drug abuse and the sharp rise in drug prices are creating favorable conditions for the emergence and flourishing of criminal structures which are involved in the organized sale of narcotics.

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The peculiarities of Russia's geographical position, the inadequacy of existing legislation, and difficulties in organizing and ensuring customs and border control are arousing increased interest from the international drugs mafia, and a merger between it and the domestic drugs trade is becoming a reality. The country's lack of a system of control over incomes and over the way monetary transactions are made gives Russian and foreign drugs groupings the opportunity not only to launder major capital sums but also to establish themselves in the country's economy and use criminally obtained income to corrupt representatives of organs of power and administration.

The general forecast of the drugs situation for the next few years is extremely unfavorable for the Russian Federation, and this is made worse, as the Concept of a State Policy To Control Drugs in the Russian Federation stresses, by the negative processes taking place in the sociopolitical and economic spheres.

The scale and rate of the spread of drug addiction and the broad scale of illegal drug trafficking testify to the low success rate of the measures being taken. The existing system of collaboration between various state structures needs to be reviewed. The activity of trade unions, the women's movement, and numerous associations and foundations, which have a certain amount of experience of working in this sphere and considerable material potential, is still not very effective. To this day physicians and psychologists have failed to elaborate effective methods of curing and rehabilitating drug addict patients. There is a lack of the necessary technical resources needed to find and destroy crops of narcotic plants and of ecologically safe preparations for destroying wild hemp. Republic legislation needs to be improved and also needs to be brought into line with international standards. An effective antinarcotics propaganda system has not been created. The potential of international organizations is being insufficiently exploited within the framework of the Worldwide Action Program Against Illegal Trafficking in Drugs and Psychotropic Substances adopted by the United Nations.

In these conditions the lack of adequate and effective measures to counter the spread of drug addiction could lead to a situation whereby the illegal spread of drugs will turn into a large-scale threat to the country's security and to the health and well-being of Russia's peoples.

Based on an analysis of the current situation and the forecast of its development in the near term, there is an obvious need to very rapidly adopt and implement a federal targeted program to counter drug abuse and illegal drug trafficking which envisages a range of coordinated statewide measures of a social, medical, legal, and organizational nature.

The Program's Aims and Principles [subhead]

The program's main aim is to halt the growth in illegal drug abuse and drug trafficking and subsequently to gradually reduce drug addiction and the lawbreaking associated with it to a level of minimal danger to society. The program's implementation is organized on the basis of combining the efforts of interested state organs, social formations, nongovernmental organizations, and citizens. At the same time this program proposes that programs based on it be developed at the level of Russian Federation components and that departmental targeted programs based on it be developed. Priority attention is given to improving the activity and increasing the efforts of society in fighting the spread of drugs and to preventing drug addiction and the lawbreaking associated with it.

Monitoring the Program's Implementation

The program's executors are responsible for the timely and full implementation of measures and the rational utilization of allocated resources.

The Government Commission on Countering Drug Abuse and Illegal Drug Trafficking (GCCD) will monitor the program's implementation.

The Russian Federation ministries, state committees, and departments first indicated in the paragraph of "executors" of the program's measures are responsible for implementing the relevant measures and are to submit to the GCCD reports on work on the program by 20 July and 20 January every year. On the basis of the half-yearly results of work, the GCCD is to interview leaders of the ministries and departments executing the program. On the basis of the results of the interview a decision will be made that is binding on the program's executors.

Particulars of the Federal Targeted Program of "Comprehensive Measures To Counter Drug Abuse and Illegal Drug Trafficking in 1995- 1997" [subhead]

Date of adoption of decision on program's elaboration: Russian Federation Government Instructions Nos. VSh-P12-18751 of 25.5.93, VCh-P37-33444 of 23.9.93, VSh-P12-35319 of 11.10.93, and SSh-P7- 26361 of 24.8.94

Date of program's approval (name and number of relevant decree, law): Russian Federation Government Decree No. 542 of 3 June 1995

State initiator: Russian Federation Ministry of Internal Affairs

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Executors: the Russian Federation Ministry of Internal Affairs, Russian Federation Ministry of Health and the Medical Industry, Russian Federation Ministry of Foreign Economic Relations, Russian Federation Ministry of Foreign Affairs, Russian Federation Ministry of Education, Russian Federation Ministry of Environmental Protection and Natural Resources, Russian Federation Ministry of Agriculture and Food, Russian Federation Ministry of Social Protection of the Population, Russian Federation Ministry for Cooperation With Member-States of the Commonwealth of Independent States, Russian Federation Ministry of Railways, Russian Federation Ministry of Transport, Russian Federation Ministry of Labor, Russian Federation Ministry of Finance, Russian Federation Ministry of the Economy, Russian Federation Ministry of Justice, Russian Federation State Committee for Higher Education, Russian Federation State Customs Committee, Russian Federation Committee for Youth Affairs, Russian Federation State Committee for Statistics, Russian Federation Ministry of Communications, Russian Federation Ministry of Defense, Russian Federal Television and Radio Broadcasting Service, Russian Federation Committee for the Press, Russian Federation Federal Security Service, Russian Federation Federal Border Service, Russian Federal Geodesy and Cartography Service, Russian Federation General Prosecutor's Office, Russian Federation Supreme Court, executive branch organs of Russian Federation components, Russian Academy of Sciences, Russian Academy of Agricultural Sciences, Russian Academy of Medical Sciences, "Rosfarmatsiya" joint-stock company

Elaborators: The working group formed by decision of the Government Commission on Countering Drug Abuse and Illegal Drug Trafficking (Protocol No. 1 of 5 August 1994)

Dates and stages for implementing the program: 1995-1997

Program's main measures: Improving legislation and informational analysis, methodological, resource, and scientific backup for countering the spread of drugs; ensuring the prevention of drug addiction; cadre, material and technical, and financial strengthening of the organs leading the fight against illegal drug trafficking; strengthening international cooperation in this sphere

Expected results from program's implementation: A qualitative increase in the effectiveness of action to counter the illegal spread of drugs, a halt in the growth in the illegal use of and trafficking in narcotics, and the creation of preconditions for reducing drug addiction and the lawbreaking associated with it to the level of minimal danger to society

Volumes and sources of funding: Current expenditure — 85.388 billion rubles [R] (in prices as of the third quarter of 1994), including R3.5911 billion on research and development. No capital investment.

The program is funded from targeted appropriations from the federal budget, the resources of ministries, departments, and organizations, and nonbudgetary resources (voluntary contributions from nongovernmental organizations and citizens, deductions from enterprises, and others).

Media Issues

Union Reminds Yeltsin of Promise To Help Media

MM1606144995 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Jun 95 p 3

[Unattributed report: "The Second Anniversary of the President's Correct Remarks in Support of the Russian Press"]

[FBIS Translated Text] The second anniversary is approaching of that notable day when Boris Yeltsin uttered the following remarkable words of sympathy:

"I know that the situation, particularly the financial situation, of the mass media is extremely grave...subsidies...from the federal budget do not solve problems. It is necessary to subsidize consumers rather than producers and to introduce differentiated taxation for printing enterprises which provide services to the press. It is necessary to exempt the mass media, excluding advertising, commercial, and certain other specialized kinds of media, from all kinds of taxes for a certain time. It is necessary to privatize and float shares in publishing and printing complexes...with the participation of the editorial offices of newspapers...."

Recalling this event, the Russian Journalists' Union Secretariat has sent an open letter to the president, which notably says the following:

"Your proposals were received with great satisfaction by the Russian journalistic community. However, the draft laws and other normative acts on state support for the mass media prepared in 1993- 1995 by the presidential office, the Russian Federation Government, the Federation Council, the State Duma, and the Russian State Committee for the Press with the participation of the Russian Journalists' Union have been blocked.

"We learned the other day that the Federation Council has rejected the Law 'On State Support for the Mass Media and Book Publishing in the Russian Federation.' Thus the two years of efforts to create a legal basis for state support of the media along the 'lines' proposed by you have proved fruitless.

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"Two years attempting to rescue the country's mass media have been wasted. During this time shares in a large number of publishing and printing facilities have been floated without participation by journalists. The circulation of Russian national newspapers has declined by a further 60 percent and now stands at 7 percent of the 1990 level. Russia's former single information area no longer exists today. Only a few Russian national newspapers appear outside Moscow and neighboring areas. The cost of subscription to a periodical has increased by 13,500 times on average, against an increase in the average wage of 1,300 times (let us note that in the period March 1990-March 1995 bread and beef went up by 4,000 times on average, while vodka (!) increased in price by 1,000 times). There is only one copy of a national newspaper per 10 inhabitants in Russia today. Russians are faced with the problem (this idea was was repeated by many delegates at the Russian Journalists' Union congress) of whether to spend their meager earnings or pension on a crust of bread or a newspaper; and naturally it is resolved in favor of the former. Regional magazines have virtually stopped appearing, while the production of central magazines is on its last legs. The amount of radio and television broadcasting — the only accessible source of information at the present time — is on the decrease. The bulk of the country's population is close to being denied access to the printed word and, consequently, to information about the socioeconomic, political, and cultural life of Russia and the events of international life.

"We would venture to say that the majority of Russian citizens have no idea of the state of affairs in the country or abroad, about the activity of federal structures — the president, parliament, and government — or about the life of our CIS neighbors. It is difficult to imagine the consequences this could bring other than the complete estrangement of the Russian people.

"We hope that you will take the forthright measures that are within your power and which were expressed in the Russian Federation President's Message to the Russian Federation Federal Assembly."

Military & Nuclear Issues

Lebed To Return to Tiraspol; Comments on Discharge

LD1506202495 Moscow INTERFAX in English 1849 GMT 15 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (INTERFAX) — Lieutenant-General Aleksandr Lebed, the former commander of Russia's 14th Army, based in Transdniestria, is flying back to Tiraspol from Moscow on June 15.

He told an INTERFAX interviewer on Thursday that so far he had received no official document on his discharge from the armed force and from the post of army commander and had only heard about this from media.

"I will command the 14th army until I get official documents on my resignation," the General declared.

Lebed did not rule out that President Yeltsin, the supreme army commander, had not signed a decree on the 14th army commander's dismissal.

"I know our president as a specialist to send trial balloons. And one cannot rule out that a careless clerk has circulated a wrong document by mistake," the general said.

Lebed noted that he would comment on his discharge from the armed forces and from the post of army commander only after getting a formal notice on that.

Grachev Signs Order Transferring Lebed to Reserves

LD1506204195 Moscow INTERFAX in English 1907 GMT 15 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (INTERFAX) — On Thursday, carrying out Boris Yeltsin's decree, Russian Defense Minister Pavel Grachev signed an order on releasing Lieutenant General Aleksandr Lebed, commander of the 14th Russian Army, from his post and transferring him to the reserves, the head of the Russian Defense Ministry reported to INTERFAX Thursday.

According to Grachev, in line with Yeltsin's instruction he appointed Major General Valeriy Yevnevich to the post of the chief of the task force assigned to Russia's Defense Ministry and stationed in Transdniester. "In accordance with my directive, from July 1 the 14th Army will be transformed into a group of Russian forces in Transdniester," Grachev explained.

Grachev reported that a special commission to be in charge of the transfer of Lebed's authorities to Yevnevich was created in the Main Headquarters of Russia's Land Forces. As he said, this commission will fly to Tiraspol on Friday "where the transfer of posts and material resources will take place over several days."

Grachev declared that he has no doubt that Lebed would adhere to the presidential decree on his dismissal and would transfer to the reserves. "Anything else is ruled out," he said.

Commenting on Lebed's resignation, Grachev said, "At least my conscience is clean. Despite the insults which Lebed addressed to me through the mass media, I found

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enough tact and self-control not to dismiss him from the command of the 14th Army and tried to set him right."

However, Grachev pointed out that "Lebed has probably exhausted himself as a military man and has written a note on resignation." "What he does next, is his own business. In the past he was a good officer and general. It's a pity that there appeared such dark forces which transformed his consciousness and put him on a slippery, not understandable to me, path," Grachev said.

Defense Ministry To Receive 94 Billion Rubles for Chechnya

LD1606091095 Moscow INTERFAX in English 0042 GMT 16 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (INTERFAX) — The Russian Defense Ministry will receive 94 billion rubles for its operations in Chechnya, the first deputy chairman of the state commission for recovering Chechnya's economy, Petr Surov, told its meeting Thursday.

A schedule for funding the activities of federal ministries and bodies in Chechnya approved by First Deputy Prime Minister Oleg Soskovets features the same figure, he added.

According to the document, the Interior Ministry will spend 82.1 billion rubles, the Federal Security Service 5 billion rubles and the Federal Border Service 4.3 billion rubles.

Surov said the federal budget will subsidize the Chechen republic for 105 billion rubles in June. In addition, the Construction Ministry will receive another 155 billion rubles to repair housing and utilities in Chechnya. The Agriculture and Food Ministry will use 38.4 billion rubles to recover Chechnya's agroindustrial complex, while the Finance Ministry will grant the Rosneftegazstroi corporation about 60 billion rubles to repair oil producing and refining installations.

Surov said the commission decided to reserve 1,500 vacancies in Russia's universities for Chechnya's high school graduates. A number of commission members will leave for Groznyy on June 26 to visit Gudermes and Urus-Martan, he added.

More Security at Nuclear Sites Following Budennovsk Events

LD1506212595 Moscow INTERFAX in English 1907 GMT 15 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (INTERFAX) — Russian atomic power stations and atomic enterprises have undertaken all possible measures to ensure the stepped-up guarding of these sites due to the events in Budennovsk (Stavropol territory), Russia's Atomic Energy Minister Viktor Mikhailov declared to INTERFAX Thursday.

In his words, a special conference devoted to this issue was held in the ministry on June 15. Leaders of all nuclear enterprises and atomic power stations reported that as before Interior Ministry services and Federation Security Service retain a heightened level of guarding at nuclear sites, introduced last year due to the beginning of the operation to bring constitutional order to Chechnya.

"When last December I was told about possible terrorist attacks on nuclear sites I practically ruled out such an insane possibility because it would actually mean announcing a nuclear war in Russia," Mikhailov said. However, now "bandits headed by Dzhokhar Dudayev are in distress and could take the most resolved moves."

"After destruction of their last stronghold, Dudayev's fighters will strive to infiltrate from Chechnya and to inflict maximum damage to the civilian population. It is necessary to completely isolate Chechnya so that even a mouse cannot get out of there, not to speak of trucks with hundreds of fighters."

Federal Assembly

Shumeyko Reports to Council on Budennovsk

LD1506163795 Moscow Ekho Moskvy in Russian 1500 GMT 15 Jun 95

[FBIS Translated Text] At the evening sitting of the Federation Council tonight, its chairman, Vladimir Shumeyko, gave the exact number of casualties of the terrorist act in Budennovsk:

[Correspondent Konstantin Garanyan] Yevgeniy Kuznetsov, head of the Stavropol Territory administration, has told Shumeyko on the telephone that 44 people were killed in Budennovsk and about 1,000 are being held hostage by the terrorists. The terrorists have stated their demands: that the federal authorities allow them to hold a news conference, grant amnesty to all members of illegal armed formations in Chechnya, allow free elections to be held in the Chechen Republic and — the last demand — that federal troops should be withdrawn from Chechnya. According to Shumeyko, the authorities are ready to concede the first three points, but they are trying to modify the fourth demand, so that the troops should not be completely pulled out of Chechnya but withdrawn to some bases. The Federation Council has drawn up a statement on these developments, but it was not passed at the first voting. At the moment, the discussion of the issue at the sitting of the Federation Council is still in progress.

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Council Committee Focuses on Budennovsk

LD1606120295 Moscow INTERFAX in English 1039 GMT 16 Jun 95

[FBIS Transcribed Text] Moscow, June 16 (INTERFAX) — The federal power structures "appear unprepared to avert attempts to send sizable bands from the Chechen republic to other parts of the Russian Federation," the Federation Council's defense and security committee decided at a closed-doors sitting that focused on the terrorist act in Budennovsk.

"Now that large-scale terrorism is gaining momentum in the Russian Federation and the federal government is unable to ensure citizens' safety," the committee suggested that the State Duma consider confidence in the Prime Minister and the heads of the Federal Security Service, Ministry of Internal Affairs, Federal Border Guards Service and Defense Ministry.

Budennovsk, No-Confidence Discussed

LD1606123095 Moscow INTERFAX in English 1039 GMT 16 Jun 95

[FBIS Transcribed Text] Moscow, June 16 (INTERFAX) — Grigoriy Yavlinskiy, leader of the Yabloko faction, says he is ready to support the Russian Democratic Party's initiative to express no confidence in the government. He made such a statement during Friday's debate in the State Duma on the situation in North Caucasus.

Yavlinskiy also insisted that instead of going to Halifax, President Boris Yeltsin "should go to Budennovsk and conduct talks there with anyone, just so the hostages would be saved."

Gennadiy Zyuganov, leader of the communist faction, joined Yavlinskiy's demand, stressing that "instead of running to Halifax at the beck and call of the Big Seven the president should now be in Budennovsk." Zyuganov believes that the State Duma should put the appointment of power ministers under its control. He suggested on his faction's behalf that "a public council be set up to include the most respected people, who in the event of the final loss of control over the situation on the part of the federal authorities could appeal to the nation so that it would not drown in a fratricidal war."

On behalf of the Russia's Choice faction, Boris Zolotukhin demanded that Grachev, Yerin, Stepashin, and Yegorov immediately resign.

Vladimir Zhirinovskiy, leader of the LDPR [Liberal Democratic Party of Russia] faction, declared that "everything is going according to plan: a war is needed to foil elections, so, a state of emergency will be introduced in autumn." He proposed that KGB be reinstituted and "its numerical strength be raised to 1 million, the army personnel be increased to 4 million, the population of southern regions be armed, and the border with Iran, Turkey, and Azerbaijan be sealed off."

Anatoliy Kashpirovskiy of the same faction asked the Duma to send him to Dudayev, in which case, he promised, "the hostages would be released in a day."

The agrarian faction, on whose behalf Sergey Bystrov made a speech, urged the reinstitution of the KGB, "disbanded by democrats."

Speaking on the PRES [Party of Russian Unity and Accord] faction's behalf, Vyacheslav Nikonov spoke in favour of sacking the power structures chiefs.

Yekaterina Lakhova, leader of the Russia's Women faction wished that Prime Minister Viktor Chernomyrdin would personally lead the work on the hostages' release and suggested that a state of emergency be imposed on the North Caucasus.

These proposals were backed up by the Russian Democratic Party's faction, on whose behalf Yuriy Yakovlev spoke.

Duma Passes Motion To Discuss Kozyrev's Activity

MM1506130595 Moscow PRAVDA ROSSII in Russian 15 Jun 95 p 1

[Unattributed report under the "Fact, Assessment, Prognosis" rubric and under the general heading "At the State Duma"]

[FBIS Translated Text] State Duma deputies have decided to discuss the question of Russian Foreign Minister Andrey Kozyrev's activity.

This initiative was put forward on the Communist Party of the Russian Federation faction's behalf by Deputy Leonid Petrovskiy, who said that Andrey Kozyrev's activity as head of the Foreign Ministry has been characterized "by a series of failures." Petrovskiy blamed the minister for the fact that he "has failed to oppose NATO's eastward progress, has pursued a pro-U.S. course, has made ill-considered statements about NATO and the plight of our fellow countrymen abroad," and in addition has "destroyed the Russian Federation Foreign Ministry apparatus."

Role in Sending Peacekeepers Abroad Questioned

LD1506211995 Moscow ITAR-TASS in English 2017 GMT 15 Jun 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, June 16 (ITAR-TASS) — Russian lawmakers from the Federation

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Council questioned their role in deciding matters of sending peacekeepers abroad when such use of Russian troops was already stipulated by international agreements earlier signed by USSR and Russia.

Under the Constitution, responsibility for such decisions vests in the upper house.

On Thursday, the lawmakers decided to send an appropriate request to the Constitutional Court. The draft of the request was brought in by the Committee for Security and Defence.

Duma Discusses CIS Ties, Rejection of Accords

MK1506111095 Moscow KOMMERSANT-DAILY in Russian 15 Jun 95 p 3

[Report by Yevgeniy Yuryev in the "State Duma session" column: "The Duma Has Abolished Neither Prostitution Nor the CIS"]

[FBIS Translated Text] For a year and a half, with enviable tenacity, the Communist Party of the Russian Federation has been working to sway the Duma to denounce the Belovezhskaya Forest Accords. It has been a rare session that has passed without a motion to include this issue in the agenda. The communists have even come to terms with the futility of their idea but have not abandoned their attempts to impose it on the Duma. Now at long last the day has come when their perseverance has been rewarded.

To the utter amazement of the initiators themselves, the deputies suddenly went and voted for discussion of the Belovezhskaya Forest Accords. True, the question was included in the agenda with a somewhat different wording: The mention of a proposed renunciation of the accords was dropped. It was only about the need to overcome the related "extremely negative political and economic consequences." Having succeeded in getting their pet question discussed, the communists did not seem to know what to do next. Apparently they had no other ideas except the denunciation of the Belovezhskaya Forest Accords, on which they continued firmly to insist. The Duma Council took a long time in deciding to submit the question to a plenary session. The Committee on CIS Affairs and Relations with Compatriots, led by Konstantin Zatulin, was entrusted to prepare it. As a result of its collaboration with the communists, two draft documents appeared: the resolution "On Eliminating the Extremely Negative Political and Economic Consequences of the 1991 Belovezhskaya Forest Accords, and on Their Renunciation," and an appeal by the State Duma to the peoples and parliaments of the CIS member states. The resolution proposed to recognize that "the hasty and ill-considered ratification by the RSFSR Supreme Soviet of the Agreement on Creating the CIS led to some extremely negative consequences for the states that emerged in place of the Soviet Union." The Russian Federation president and government were advised to undertake measures to consolidate economic, social, legal, and other links formalized in treaties between the former-USSR republics. A number of Duma committees were entrusted to work out a concept for creating an economic, customs, financial, and military union of Russia and Belarus with the participation of any countries willing to join it. The legislation committee was to prepare a judgment on the validity of the 12 December 1991 RSFSR Supreme Soviet resolution "On Denouncing the Treaty on the Formation of the USSR."

The other document submitted to discussion — the appeal to the peoples and parliaments of the CIS member states — contained a call to hold in 1995-1996 referendums on the creation of an economic, customs, financial, and military union of the CIS countries. The Russian Federation president and government were invited to hold negotiations and consultations with CIS heads of state on an early conclusion of a closer union and on creating permanent bodies for this purpose.

Zatulin convinced the communists to start by confining themselves to these purely advisory documents and not to insist on adopting a law on denouncing the Belovezhskaya Forest Accords, as was originally proposed by the initiators of the question. The communists failed to restore the USSR even in "an advisory- declarative" form. They fell short by some 30 votes. But, as Anatoliy Lukyanov, a member of the Communist Party of the Russian Federation faction, told KOMMERSANT-DAILY's correspondent, this is far from the last vote, and the communists will definitely have the Belovezhskaya Forest Accords repealed and the Union restored.

True, the question of restoring the USSR was discussed at the very last moment. The session itself opened with the discussion of an even more piquant matter: Deputy Marychev, after a night "spent on Tverskaya Street in the company of girls of easy virtue," proposed banning street prostitution. In spite of the high emotional intensity of Marychev's appeal, the Duma members treated the matter rather coolly and by a significantly overwhelming majority of votes did not ban prostitution.

Duma Deputies Express No Confidence in Government

LD1506123995 Moscow Mayak Radio in Russian 0030 GMT 15 Jun 95

[FBIS Translated Text] Over 100 State Duma deputies have signed a statement expressing no confidence in the government. This was announced by Sergey Glazyev,

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chairman of the State Duma Committee for Economic Policy, who held a news conference at the lower chamber of parliament on 14 June, together with his colleagues Sergey Burkov and Sergey Kalashnikov. Sergey Glazyev said that today the signatures will be passed to the Duma Council, which is required by its standing orders to include the issue of no confidence in Viktor Chernomyrdin's cabinet on the agenda for the chamber's plenary sitting.

Chernomyrdin Bloc Accused of Power Bid

LD1506212695 Moscow INTERFAX in English 1907 GMT 15 Jun 95

[FBIS Transcribed Text] Moscow, June 15 (INTERFAX) — The deputies who supported the Russian Democratic Party's initiative to declare no confidence in Chernomyrdin's Cabinet, regard the government's formation of the electoral alliance Russia Is Our Home as an attempt to seize power. This is said in a statement backed by 102 State Duma deputies, whose signatures are expected in the State Duma's Council tonight.

Duma procedures require 90 signatures for a motion of no confidence in the government to be put on the lower house's agenda. After the signatures are submitted within one week the Council must put the motion to vote.

The statement notes that the government's electoral alliance "politicizes the activity of executive-branch bodies and makes it impossible for various bodies of state power to work together smoothly."

The authors of the statement reproach the Cabinet for the lack of "a system of measures to overcome the social and economic crisis in the country and to attain the social and economic goals set out in the Russian president's message to the Federal Assembly."

The government's policy, according to deputies, "leads to further decline in production, investment and innovative activity" and leads to industrial collapse.

Deputies Unlikely To Gain Votes

MK1606092095 Moscow SEGODNYA in Russian 16 Jun 95 p 2

[Report by Aleksey Kirpichnikov under the "Stubbornness" rubric: "Duma To Consider No-Confidence in Government Vote 21 June. Masterminds Put No-Confidence in Doubt"]

[FBIS Translated Text] The threat issued by Sergey Glazyev long ago to raise once again in the Federal Assembly's lower house the question of no confidence in the government of Viktor Chernomyrdin may be carried out 21 June. A corresponding statement of 102 deputies was submitted to the State Duma Council last night. Under the Duma's procedural rules, its Council, having received the statement, is supposed to include the no-confidence question in the agenda of the chamber's plenary sitting within a week.

The main argument for raising the question is the creation of a party of power which, the statement signatories believe, contravenes the president's Message to the Federal Assembly, violates the separation of powers principle and threatens to usurp them; also noted are the preservation of the current socioeconomic policy, seen as ruinous for the country, and the other socioeconomic, political, moral, and other horrors repeatedly invoked by Glazyev.

The 102 votes are distributed according to the factions and deputy groups as follows: having signed up for no confidence are 24 Communists, 19 Agrarians, 14 "New Regional Policy" members, 9 Democratic Party of Russia members, 8 people from "Russian Way," and 8 people who do not belong to any factions or groups, 5 from the Liberal Democratic Party of Russia-Zhirinovskiy Party, 4 from "Russia," 2 each from "Russia's Choice" and "Women of Russia," and 1 from the Party of Russian Unity and Accord.

With the exception of the Democratic Party leaders, who are behind the idea of raising the question of the government's resignation, neither Zyuganov, Lapshin, Medvedev, nor the leaders of other factions and large groups signed the statement. Nor are the State Duma's top leaders are represented; at the same time, middle-echelon members — 9 committee chairmen out of 23, the Credentials Committee chairman, and many deputy committee chairmen and subcommittee chairmen — were prompt in signing up.

One might also single out two "Russia's Choice" committee chairmen, on information policy and public health — Mikhail Poltoranin and Bela Denisenko; and Sergey Glazyev's former associates in the government — ex-ministers of justice and social protection, Yuriy Kalmykov and Ella Pamfilova; and especially Vladimir Kvasov who, until recently, was government chief of staff.

The middle-echelon forces and former members of Viktor Chernomyrdin's cabinet, however, would most likely not be sufficient to carry a no-confidence move by 226 deputies. First, 21 June will be far away from the deadline the Constitution sets for Boris Yeltsin to sign the law on the elections for the lower house just approved by the Federation Council — and the head of state may, despite his aide Georgiy Satarov's insistence, not be in a hurry to sign it and rather see how the no-confidence vote goes in the Duma. Second, and most

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important, the absence of the Duma leadership and the leaders of even the traditionally opposition-minded factions from the statement signatories shows that, on the threshold of elections, they are unwilling to pull the opposition chestnuts out of the burning executive-branch fire for Sergey Glazyev.

Duma Election Timing Remains Uncertain

MM1506112295 Moscow ROSSIYSKIYE VESTI in Russian 15 Jun 95 p 1

[Article by Aleksandra Lugovskaya: "Will the Duma Be Elected on Schedule"]

[FBIS Translated Text] As expected, the Law "On the Election of State Duma Deputies" was again the central item on the Federation Council agenda at its 14 June session. Since 4 May and the upper chamber's categorical "no" to the previous version of the law, subsequently reinforced by presidential "veto," this crisis has been the focus of political life throughout Russia. In the opinion of commentators, the disagreements threaten not just to wreck the State Duma elections but to cause general political destabilization in the country.

The skeptics' forecasts concerning the prospects of the tripartite conciliation commission set up to overcome the disagreements have not come true. According to Yelena Mizulina, deputy chairman of the Committee for Constitutional Legislation, who has represented the Federation Council on the commission, they have achieved more than just a compromise during this political rather than legal process — they have found a common language among the political forces and branches of power during the process of discussing the specific law and the amendments proposed by the sides. The conciliation commission's work, Mizulina stressed, has taken place with an appreciation of the sides' responsibility for the consequences of a potential breakdown — the representatives of all factions, often hostile in day-to-day parliamentary life; presidential aide Georgiy Saratov, who "did an excellent job"; and even the senators of the upper chamber who were irreconcilably set against the former Duma law.

Under the agreed draft, the number of State Duma deputies elected on the federal list and for single-seat districts retains the same proportion as before — 225 to 225. The present Duma also successfully defended its position. However, the new law contains a very important provision designed at last to spread the Russian multiparty system beyond "Moscow's Sadovoye Koltso beltway": The core section of an election association's party list must not have more than 12 deputies. And the more votes a specific party musters, the more representatives of small regional parties will be represented in its Duma faction.

The paragraph of the law that reads "the district electoral commission will deem elections to single-seat electoral districts invalid if there is a turnout of less than 25 percent of registered voters" is equally important. The presidential draft law stipulated "less than 50 percent." Yelena Mizulina saw the 25-percent barrier as an advantage, commenting that this norm should also be applied to the Russian Federation presidential elections: "The higher the percentage barrier is, the more restrictions on the exercise of citizens' voting rights you get."

Finally, thanks to the compromise reached by the branches of power, the former "draconian" norm banning candidates running for seats in the State Duma from being in state service or working in the mass media during the election campaign does not form part of the new law.

At the State Duma session on 9 June, 264 deputies voted in favor of the new wording of the law, with 45 against and three abstentions. It was subsequently approved by the Russian Federation president in his preliminary remarks. It is important that, prior to being put on the Federation Council agenda, it underwent rigorous fine-tuning, without any excesses occurring, in special parliamentary hearings and in the Committee for Constitutional Legislation, where it was submitted for the senators judgment.

However, at yesterday's Federation Council session the law failed to win the support of the chamber: Only 76 deputies voted in its favor. This means that the question of whether the State Duma will be elected on time again remains unanswered.

Shumeyko Comments on Election Law

LD1506203895 Moscow INTERFAX in English 1907 GMT 15 Jun 95

[FBIS Transcribed Text] Moscow, June 15 (INTERFAX) — When approving the decree "On Elections of State Duma Deputies" Thursday the Federation Council did "not disavow its principles," believes Federation Council Chairman Vladimir Shumeyko.

"The principle concerning the electing of State Duma Deputies from the regions has triumphed in the adopted decree," he underlined in a conversation with journalists in Moscow Thursday.

"The political responsibility of the Federation Council deputies has prevailed over their several aspersions of the decree," Shumeyko noted. In his words, the

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Federation Council deputies understood that "any delay in adopting the decree on elections of State Duma deputies will lead to elections not being held on time."

As before, Shumeyko believes that the quality of the decree on elections is more important than the formal observance of the term for holding them. At the same time he underlined that "the timing of elections has a great political significance." "If we hold elections on time we shall prove to ourselves and to the whole world that we respect the Constitution. The whole world will understand that having started construction of a new political system, Russia is building a democratic power and creating a developed civil society."

Aide on Preelection Situation

LD1506190495 Moscow ITAR-TASS in English 1520 GMT 15 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow, June 15 (ITAR-TASS) — The role of political parties in the parliamentary elections was discussed at a theoretical and practical conference in the State Duma. The conference was organised by the Committee on public associations and religious organisations.

Georgiy Satarov, an aide to the Russian President, expressed satisfaction in connection with the approval by the Federation Council on Thursday of the law concerning the elections of the lower house members. Satarov said the law would be signed by the President in the next few days, and the Presidential edict on holding the elections would be signed in August.

According to Satarov, the promulgation of the law on elections will ease tension in society.

Not everything has been prepared for the elections from the legislative point of view, Satarov said. A law on parties has yet to be passed. However, the law on public associations has already taken effect as has the law concerning guarantees of the voter rights. This has created a serious legislative framework for holding the parliamentary elections, Satarov said.

He also praised as a positive factor the announcement about the formation of two major electoral alliances which set in motion a "wave of associations of different political forces."

This, according to Satarov, will simplify the voter's choice.

Leader of the United Democratic Centre Ilya Roytman declared that the situation had never been so unfavourable for the democrats and all authorities in general. According to him, the communists have considerably strengthened their positions in the country. "Unless very serious conclusions are drawn from the fact in the nearest future, the democratic forces will surely head for defeat," he prophesied.

Sociologist Yelena Shestopal sounded a similar note in announcing that, according to the latest polls, the democratic electorate amounted to a mere 15 percent of the total or even less. She thereupon called into doubt the validity of any opinion polls at all, declaring that in Russia "people think one thing and do another, proclaim that they sympathise with one group and vote for another."

On the whole, the polls revealed that "there is not a single political alliance, not a single party or an individual candidate who ranks very high" in the public opinion.

According to Shestopal, the polls also revealed that the Russian people do not trust authorities, although they are willing to obey in principle and "tolerate quite a lot" on condition that authorities "act fairly" and are not involved in corruption.

Society's economic stratification is believed to be "unfair" by 75 percent of those polled. For this reason, the parties which will take this into account have more chances to succeed in the elections, Shestopal said.

New Opposition Association Founded in Duma

MK1506112095 Moscow SEGODNYA in Russian 15 Jun 95 p 2

[Report by Gleb Cherkasov under the "Intentions" rubric: "Sergey Glazyev and Vladimir Polevanov Have United for a 'Professional Dialogue With the Government.' Meanwhile, They Have Collected Signatures for a Vote of No-Confidence in the Government"]

[FBIS Translated Text] Chairmen of the Duma Committees for Ownership Matters, Economic Policy, and Labor — Sergey Burkov (New Regional Policy), Sergey Glazyev (Democratic Party of Russia), and Sergey Kalashnikov (Liberal Democratic Party of Russia), respectively — as well as former State Property Committee Chairman Vladimir Polevanov presented a new association, "People's Policy," at the Duma yesterday. According to its founders, "People's Policy" is not an electoral association: Its aim is both to explain to the Russian people the disastrous effects of decisions made by the authorities and to propose ways of overcoming the economic crisis. The movement intends to "protect Russia from outrages committed by the authorities and to bring back hope to the people." The founders invite all "honest professionals eager to use their knowledge

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and experience for the benefit of society and the state" to participate in its activities.

Polevanov noted that "whereas the government has embarked on politics, having failed in economics," somebody has to deal with economic problems. According to Kalashnikov, the organization will appeal to public opinion in order to exert pressure on the government's course. Kalashnikov chose to emphasize several times that the project has no electoral implications. In his turn, Glazyev explained that "People's Policy" is ready to conduct a "professional dialogue on all problems" with the government. Glazyev said also that the collection of signatures for putting the question of a vote of no-confidence in the government on the Duma's plenary session agenda has been successfully completed and suggested that deputies will examine the activities of Viktor Chernomyrdin's cabinet on 23 June.

Committee Chairman Opposes Sberbank Privatization

MK1606093095 Moscow SEGODNYA in Russian 16 Jun 95 p 2

[Report by Elmar Murtazayev under the "Fears" rubric: "Sergey Burkov Opposes Privatization of Sberbank, Insists on Revision of Government Draft"]

[FBIS Translated Text] The privatization of Russia's Sberbank [Savings Bank] is currently "extremely undesirable," Sergey Burkov, chairman of the State Duma Committee on Property, Privatization, and Economic Activity, has said.

According to the BIZNES-TASS news agency, the committee head outlined his stance in a statement distributed at the State Duma in connection with efforts to step up the consideration of Sberbank's privatization. It should be recalled that a draft law drawn up by the government calls for a controlling block of shares (51 percent) to be turned over to the Russian State Property Committee for sale to outside investors. State Property Committee Chairman Sergey Belyayev said earlier that the main reason for privatizing Sberbank is the Russian lawmakers' insistent desire to earn 9 trillion rubles in privatization proceeds in order to cover the budget deficit by non-inflationary means.

According to the head of the Duma committee, a loss of state control over Sberbank's activity would bring about a situation where the population would be deprived of state guarantees with regard to their deposits, which, in turn, would "cause an unjustified heightening of sociopolitical tensions in society." In Burkov's view, by so doing the state will lose a well-oiled network of Sberbank regional affiliates. This may hamper efforts to attract people's savings, to sell government securities, such as short-term treasury bonds, and will cause a considerable reduction in cash flow passing through the Sberbank system.

Burkov believes that it is necessary to make amendments to the draft laws "On the Central Bank" and "On Banks and Banking Activity" that set forth the procedure for selling state-owned stakes only on the basis of the federal law on the privatization of state blocks of shares in commercial banks.

Federation Council Approves Decree on Pensions

LD1506210995 Moscow INTERFAX in English 1849 GMT 15 Jun 95

[FBIS Transcribed Text] Moscow, June 15 (INTERFAX) — On Thursday the Federation Council approved by an overwhelming majority of votes the federal decree "On Increase of Minimum Pensions, Principles of Indexation and Re-Calculation of State Pensions" in the Russian Federation adopted by the State Duma on May 26.

Under this decree, to go into affect from the day of its publication, the minimum pension for the elderly is set at 52,486 rubles. In addition, all pensions will be increased 1.2 times against May of 1995.

According to the Federation Council Committee on Social Policy, a total of 1 trillion rubles a month and 7.1 trillion rubles over 1995 are needed to increase pensions.

Earlier on Wednesday the Federation Council declined this decree, however, it approved it on Thursday without any preliminary discussion.

Duma Refers Budget Decree to Constitutional Court

LD1506092795 Moscow ITAR-TASS World Service in Russian 0959 GMT 14 Jun 95

[By Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 14 Jun (ITAR-TASS) — The State Duma today applied to the Russian Federal constitutional court with an inquiry as to whether the Russian president's decree of 28 February 1995 "On Measures To Strengthen Financial Discipline During the Implementation of the Federal Budget" complies with the Russian Federation Constitution.

The State Duma believes, the inquiry notes, that this decree contradicts a number of norms of the Russian Federation constitution and needs to be changed.

The clause in the decree to the effect that questions of the federal budget, federal taxes, and levies may be regulated by Russian Federation presidential decrees and, on their basis, decisions of the Russian Federation

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Government run counter to the points contained in articles 71, 76, 104, 105 and 106 of the Russian Federation Constitution, the inquiry stresses. These articles determine that it is the Russian Federation which conducts the federal budget, federal taxes, and levies, according to which the State Duma adopts federal laws that are subject to obligatory examination by the Federation Council.

We propose, the inquiry states, that a solution to these questions in accordance with the Russian Federation Constitution cannot be the subject of a settlement by normative acts of the Russian Federation president and the Russian Government.

Upper House Votes Down Securities Bill

LD1506204995 Moscow ITAR-TASS in English 1746 GMT 15 Jun 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, June 15 (ITAR-TASS) — Lawmakers from the Russian upper house on Thursday voted down bills on the market of securities and on the Social Insurance Fund budget for 1995, along with some other documents which were said to reduce budget revenues. The draft laws were earlier adopted by the State Duma.

The lawmakers did not deny that Russia's securities market required legal regulation and there was a need to protect the population from scheming funds, companies, and entrepreneurs. However, they urged to make the law more clear and reformulate it so that it maintained financial stability in the country.

They also rejected a proposed extension of foreign trade credits granted in 1993 to sports organizations and associations of the disabled. The understood that lifting all foreign trade credits, as was stipulated by a presidential decree of March 1995, "will prevent the completion of the planned goods supplies and may lead to financial losses of these organizations, as well as some other financial institutions." However, if passed into law, this amendment would result in lowering budget revenues. Moreover, there was an uncertainty about possible sources which could be used to cover this reduction.

The upper house members said that the state support to a national sports foundation and associations of the disabled should be given from the federal budget, which would allow the state to control the use of funds.

Federation Council Approves Nuclear Energy Law

LD1506182395 Moscow ITAR-TASS in English 1335 GMT 15 Jun 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, June 15 (ITAR-TASS) — The Federation Council, upper house of the Russian parliament, on Thursday [15 June] passed the federal law on the use of nuclear energy approved by the State Duma on the whole on Wednesday.

The new law provides a legal framework for securing safety to humans and the environment in and around nuclear installations and nuclear storage facilities, as well as close to sources of ionising radiation.

The passing of the new law was made necessary by the fact that many Russian citizens live and work in conditions where irradiation exceeds maximum permitted levels in the wake of major accidents, nuclear testing and violations of the rules for burying radioactive waste, as admitted by experts from the Federation Council Committee for social policy.

Russia did not have any anti-radiation laws before until now. It made do with an assortment of regulatory enactments and regulations.

The new federal law has been promulgated into law binding on both individuals and organisations.

Duma Passes Bill on Production Sharing

LD1506212795 Moscow INTERFAX in English 2020 GMT 15 Jun 95

[FBIS Transcribed Text] Moscow, June 15 (PIA-INTERFAX) — Russian and foreign investors have received guarantees on their participation in oil projects, Russia's Deputy Fuel and Energy Minister Vadim Dvurechenskiy said, commenting on the bill "On Production Sharing Agreements," passed by the State Duma on June 14.

In an interview with INTERFAX Petroleum Information Agency on Thursday, he voiced confidence that the document "will revitalize major Russian banks," and will make "the signature dates" of production-sharing deals coincide with "the date when they come into force."

A representative of YUKOS, a leading Russian oil company, told PIA on Wednesday that the bill would enable the company to conclude an early $20 billion agreement with Amoco of the U.S. on developing the Priob oil field, a major West Siberian field with recoverable reserves of over 700 million tonnes.

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According to a U.S. Mobil Oil spokesman, although the bill is still to be amended, it is now clear that it will favorably affect Russia's negotiations with Exxon and Mobil Oil on the Sakhalin-3 project, which will require over $450 million in combined investment.

The production-sharing bill provides for a mechanism for sharing extracted raw material between the state and investors in agreed-to proportions.

The guidelines of the document, drafted by the State Duma's Economic Policy Committee, formalizes relations between the state and domestic and foreign investors as concerns the use of natural resources, pay for the right to extract raw materials, the sale of production, and as concerns levying taxes on producers.

Duma Collecting Evidence on Rights Violations

MM1506122795 Moscow PRAVDA ROSSII in Russian 15 Jun 95 p 1

[Unattributed report under the "Fact, Assessment, Prognosis" rubric and under the general heading "At the State Duma"]

[FBIS Translated Text] On 7 June the State Duma adopted the decree setting up a Commission on the Observance of Legality by Special Subdivisions of the Russian Internal Affairs Organs and Internal Troops.

One year ago State Duma Deputy Tatyana Astrakhankina read out an appeal from Tver State University students and their parents about outrages perpetrated by OMON [Special Purpose Militia Detachment] forces who dispersed students as they were celebrating Pioneers' Day. The rights to the inviolability of the home and of the individual were most crudely violated. Reports on similar instances of civil rights violations have come in from Ryazan, Omsk, Krasnodar, and Moscow.

Tatyana Astrakhankina, member of the Communist faction, was elected chairman of the commission. She has asked that information on violations of the law or of civil rights by special subunits be sent to the following address. T.A. Astrakhankina, Building 2, Georgiyevskiy Pereulok, Moscow, 103265.

Regional Affairs

Budennovsk Hostage Standoff Continues

'Text' of Yeltsin Statement

LD1506163895 Moscow ITAR-TASS World Service in Russian 1442 GMT 15 Jun 95

[FBIS Translated Text] Moscow, 15 Jun — President of Russia Boris Yeltsin has today made a statement in connection with the terrorist act in the town of Budennovsk. The following is the full text of the statement:

"The unprecedented in its cruelty and cynicism bandit act has been committed in Budennovsk by Dudayevite militants. The bandits who lost their sense of humanity have attacked a peaceful town, killed defenseless civilians, and taken sick people, women, and children hostages.

The tragedy in Budennovsk puts an end to discussions on the nature of the Dudayev's former regime. Now everyone can see that the slogans of national liberation were nothing but a cover for criminals who got their hands on weapons. As the president of the Russian Federation, I declare that at the moment all efforts of the federal authorities are directed at neutralizing the terrorists, to freeing the hostages, and to preventing similar actions taking place in the future.

We are still to find out how such an act of barbarism has become possible, and how those who are responsible for law and public order allowed the situation to get out of control.

Together with all the Russian people I mourn those who fell at the hand of the bandits. I call on citizens of Russia to keep their cool and self-possession and to support the efforts of the federal authorities aimed at stopping the armed terrorists' activities and at restoring the constitutional law and order."

Grachev Interviewed on Situation

LD1606061095 Moscow INTERFAX in English 0018 GMT 16 Jun 95

[FBIS Transcribed Text] MOSCOW, June 15 (INTERFAX) - A total of eight servicemen were killed and seven wounded by this afternoon as a result of the assault by gunmen on Budennovsk (the Stavropol Region), Russian Defense Minister Pavel Grachev told INTERFAX in an exclusive interview.

He said the Interior Ministry had lost 29 people killed and 11 wounded.

Numerous casualties among civilians have been registered.

Grachev said that the eight Russian servicemen had been wounded in the fighting and brought to the local hospital but later had been shot by the assailants.

He added that he could not say exactly from where the attackers had come. Grachev said he only knew that the gunmen had passed through the control posts in the regions close to Chechnya. He said the inspection of the terrorists' transport was likely to have been quite formal if the cars had been checked at all.

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Grachev said that about 60 assailants headed by Chechen field commander Shamil Basayev were still in the Budennovsk hospital, keeping about 1,000 people hostage. He said the terrorists had put on doctor's gowns and had placed themselves around the building. He said the assailants in the hospital were armed with heavy machine guns, automatic guns and grenade launchers.

Grachev said the operation for rescuing the hostages must be carried out only by special units in order to have the least amount of hostages hurt.

Grachev said that up to 250 assailants had broken through to the town on June 14 at 12:10 in 12 cars.

The attackers opened fire and seized the local department of the law enforcement's building, the local administration's building, the medical college, a branch of the Savings Bank, a hospital, a youth culture center, and two residential houses and took about 300 people hostage.

Law enforcement officers forced the majority of the assailants out of the town by the end of June 14. The assailants are retreating on the southern and eastern directions, hiding themselves behind hostages.

Hostage-Takers Hold News Conference

LD1606052195 Moscow Russian Television Network in Russian 0400 GMT 16 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Text] Yesterday evening a news conference was held with the terrorists in Budennovsk in order to save the lives of the hostages. Our correspondent, Aleksey Samoletov, was there. [Video shows Basayev in room surrounded by men in camouflage gear wielding Kalashnikovs; photographers and journalists present]

[Samoletov] As Shamil Basayev, head of the sabotage and shock battalion, said yesterday at the news conference in a cellar of Budennovsk's district hospital, in Russia today anyone can move armed detachments of fighters or weapons around. All you need to get a Kamaz truck carrying about 50 well-armed people through a traffic police checkpoint is to pay 5,000 rubles for each fighter carried.

[Basayev] We weren't planning to take Budennovsk specifically. Our mission was different: we wanted to get to Moscow and do some fighting there and see if the Russian authorities would bomb Moscow. But our operation basically feel apart because of the greed and meanness of the traffic police. We just didn't have the money to pay this [militia] post. That's why they tackled us up and asked us to go to the militia station. And so, sad to say, the town of Budennovsk became a hostage town, so to speak.

We have no other demands. We don't need money. We don't need food, we don't need to eat. We don't need ammunition. We don't need anything. What we do need is to have the war stopped.

[Samoletov] The most alarming thing this morning is the continuing reluctance of the power ministries to comment on the situation. At the same time, as a journalist who was at the press conference today said - and there were 31 of them in all - even if there are not 2,000 or 4,000 hostages in the hospital, but only 200 or 500, a decision to storm the building would be terrible, although the results of such a storming, to judge by experience of fighting in Chechnya, might not stop those responsible for taking the decision. [Video switches to show distraught women on hospital floor, crying, weeping and moaning: "Help! Help!". There are also what sound like a couple of powerful gunshots]

Terrorists Reject 'Reasonable' Offers

LD1606094395 Moscow ITAR-TASS in English 0634 GMT 16 Jun 95

[FBIS Transcribed Text] BUDENNOVSK, Stavropol Territory, June 16 (ITAR-TASS) — Negotiations are conducted with the terrorists here at every odd hour over a special telephone channel. The bandits reject any reasonable offers. In exchange for the release of hostages, they were offered to be allowed to leave for Mineralnyye Vody airport unimpededly, a large sum of money, and a plane to fly to any destination they would like to name.

New details have become known of the terorrists' press conference held in the Budennovsk city hospital on Thursday. Prior to that, the criminals stated that they would begin to shoot hostages if a meeting with the press would not be arranged by 18.00. The demands were met but, when meeting journalists, the terrorists voiced only political ultimata to the Russian authorities.

The bandits categorically refused to discuss conditions for the release of children, women, those in childbirth, as well as the heavily ill, who are held captive in the hospital building among numerous hostages.

The talks with the terrorists are being currently conducted by Aleksandr Korobeynikov, Deputy Chief of the Stavropol Territory Administration and by representatives of religious confessions.

A spokesman in the Stavropol administration has categorically denied and described as a "monstrous live" a statement by Movladi Udugov, one of Dudayev's associates, that massive rampages against and oppression of

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Chechens had allegedly begun. Not a single case of this kind has been recorded, Korobeynikov has told ITAR-TASS.

Only 'Peaceful' Tactics Considered

LD1606103395 Moscow ITAR-TASS World Service in Russian 0940 GMT 16 Jun 95

[FBIS Translated Text] Moscow, 16 Jun — The Russian authorities are now taking most active steps aimed at defusing the crisis in Budennovsk and intend at present to help free the hostages by peaceful means only.

"The Russian federal authorities are prepared to give Dudayev's men, who have taken civilians hostage in Budennovsk, any guarantees of safety, vehicles, passports and cash to release them. Our only condition is the hostages' lives," Andrey Chernenko, official spokesman for the operational staff in Budennovsk, said.

In a telephone conversation with an ITAR-TASS correspondent he stressed: "At present, the only way to settle the crisis we are considering is a peaceful one."

Casualty Figures Updated

LD1606105895 Moscow Russian Television Network in Russian 1000 GMT 16 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Text] More than 100 people were killed in Budennovsk. This figure includes about 80 civilians, said Russian Deputy Prosecutor-General Oleg Gaydanov at a news conference which was held in Budennovsk today. According to his information, 40 cadavers are in the mortuary of the hospital held by the terrorists. A list of names of the 36 civilians whose bodies were found in the city streets has been drawn up. Nine employees of the Ministry of Internal Affairs and six military pilots were also killed.

According to Gaydanov, the fighters lost 20 men killed.

Grachev Does Not Rule Out Force

LD1606131495 Moscow ITAR-TASS World Service in Russian 1255 GMT 16 Jun 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 16 Jun (ITAR-TASS) — Russian Defense Minister Pavel Grachev does not rule out the use of force in disarming the terrorists in Budennovsk.

"I am not sure that a group of terrorists numbering between 50 and 60 people and headed by Shamil Basayev, which seized the city hospital, can leave just like that, through negotiations. The terrorists understand they already have nowhere to retreat to and as for surrendering, they will not surrender. That is why special methods and the use of force are needed in order to liquidate these bandits as fast as possible and to prevent bloodshed among the hostages," journalists were told today by Pavel Grachev following a meeting with military medical personnel marking their professional day.

Chernomyrdin 'May' Conduct Talks

LD1606135195 Moscow ITAR-TASS World Service in Russian 1334 GMT 16 Jun 95

[By ITAR-TASS correspondent Nikolay Styazhkin]

[FBIS Transcribed Text] Budennovsk, Stavropol Territory, 16 Jun — Viktor Chernomyrdin, head of the Russian Government, may arrive in Budennovsk to conduct talks on the release of the hostages taken by terrorists. Deputy Prime Minister Nikolay Yegorov stated this at a news conference he held here today.

An ITAR-TASS correspondent has been told by an informed source in the Russian prime minister's staff in Moscow that "the issue of Viktor Stepanovich's arrival in Budennovsk was in principle decided when the head of government was holidaying in Sochi."

*Finland, Karelia Developing Closer Trade Relations

954E1067A Helsinki HELSINGIN SANOMAT in Finnish 23 May 95 p D1

[Article by Pekka Hakala: "Sea Captain Sailing in Karelian Mud"]

[FBIS Translated Text] Sea Captain Veikko Hintsanen tries to avoid stepping where the mud is deepest because he is wearing low-cut shoes. A hot wind is blowing from Ukraine over Lake Ladoga and into the forests of Vieljarvi, raising sweat upon the brow.

Sawmill magnate Lauri Liukkonen is huffing and puffing behind the captain along the muddy rut that serves as a road. The pair's red pickup truck couldn't make it even though the four-wheel drive mechanism was engaged already at the corner by the Jyrkila store. We are talking about an almost 4-km march to the sea captain's stand of forest.

Liukkonen kicks a spruce that has been felled beside the road rut. "It has grown too fast and is punk," Liukkonen passes judgment. "There is only one usable log on the butt end and they didn't even bother to take that."

They try to harvest wood year-round in Karelia but now the spring break-up has been protracted and it is very late in the year. The forest-harvesting machinery of

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the big companies is under maintenance at the storage places. Floodwaters surge over the road from thick forest. "Spruce forest that is past maturity," sawmill man Liukkonen gives his analysis. "All of the undergrowth has died."

Lingonberry and blueberry stems can be seen here and there. Very little light penetrates into the thickets, which have not been maintained silviculturally.

After a couple of kilometers the tired men pause in a brushy stretch. Beyond a big swamp a hill rises that is covered by a nice stand of birch. The forest hums and a cuckoo begins its song. Liukkonen squints to see beyond the swamp: "Veneer-quality birch."

From Persian Gulf to Behind Viel Lake

Hintsanen sits down upon a tussock and stirs a baby poop-colored diet drink in a paper cup. If you drink a few cupfuls of that a day and don't touch anything else they say your weight will drop two kilos per week. Liukkonen lunches on gotler sausage that he brought from Finland.

Veikko Hintsanen, who is 48 years old and was born in Sulkava, went to sea in 1967. He became an oil-tanker skipper before he was 30. His seaman's career ended in 1984 in the Persian Gulf. Fifteen merchant marine men had died the previous week in mine detonations in nearby waters.

Hintsanen went to work as a petroleum inspector for a Dutch shipment inspection firm. In 1988 he changed jobs to become an oil salesman for Teboil. A couple of years later the Soviet Union collapsed and the Russian workers of Teboil began establishing their own businesses.

Hintsanen did likewise. His own business, Eurowood, began planning the logistics of trade in the East. At first Urals, Inc., a company owned by former Teboil people, was a partner, then Haka and many others joined. There were plenty of projects but the cash reserves remained essentially empty.

Last fall Hintsanen got a hold of a substantial oil shipment. He made a deal for 50,000 metric tons of Russian number-two fuel oil and sold it to Neste. But the oil did not get to Finland before Prime Minister Viktor Chernomyrdin signed a decree putting a stop to the free exporting of fuel oil from Russia.

Hintsanen didn't give up. He made a deal with the president of the Karelian Republic, Viktor Stepanov. The oil was now to be shipped to Karelia and the payment was to be some hundreds of thousands of cubic meters of wood.

The Finnish partner who had secured the deal lost faith. Hintsanen traveled to Moscow and found the laundry-operating Semyonovich brothers. Their Rabus, Inc., promised to finance the deal.

In the meantime the Uusimaa provincial tax offices lost their patience and decided to seek a bankruptcy declaration against Eurowood in the Espoo District Court.

The deal for wood signed by Stepanov was unacceptable currency in Espoo District Court, which rejected the Eurowood debt-consolidation proceedings. Helsinki Appeals Court did likewise.

Hintsanen is not satisfied with the court-ordered debt-consolidation decree and intends to appeal all the way to the Supreme Court. Hintsanen has a second firm for the wood deals.

Karelia Requires Patience

Hintsanen drinks all of his diet drink. He doesn't know if the spruce trees humming behind him are part of the harvest contract, for the forester of Praasi has not yet sent the forest warden of Vieljarvi to stake off the plot. Hintsanen spent the morning seeking a yellow license, which is apparently necessary to get things moving.

The location of the license would be revealed if only one could find a mysterious official by the name of Konovalov, but this same Konovalov is, as far as can be ascertained, in Moscow and will come back tomorrow. Or maybe later.

Hintsanen, nevertheless, feels he is in a good position. Over 10,000 tons of oil was shipped to a generating plant on the shores of Lake Onega where it was burnt already in February. As payment he is supposed to receive 90,000 cubic meters of wood from around here and plots south of Petrozavodsk.

The intention is to transport the Vieljarvi timber to the Essoila station, where a train will take it to the border, where it will become the property of Metsaliitto. One-half of the timber will go to Punkaharju Saha, which is managed by Liukkonen, who intends to set the milling saws of Putikko singing. It has been quiet in Putikko since the British owner ran out of pounds sterling.

On the return trip these forest cruisers walk far into the woods to get around an area full of floodwaters from the snowmelt. Soviet lumberjacks have been at work there but they apparently forgot the job in the following five-year plan. The logs still lie in the forest, covered by a layer of moss an inch thick.

"Listen, Veikko," puffs Liukkonen. "Let's make sure this doesn't happen to us too."

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Surgut Crude Oil's Path Into Boards From Putikko

1. An operator in the Surgut Oil Fields, Center Nefte Resurs, pumps crude petroleum out of the ground and ships it to the refinery at Saratov.

2. The Saratov Refinery pays for the crude with number-two fuel oil.

3. Hintsanen arranges for a loan of dollars from Rabus, Inc., of Moscow and buys fuel oil.

4. Hintsanen delivers a shipment of fuel oil to the Republic of Karelia. The shipment arrives via rail from Saratov to Petrozavodsk into the storage tanks of the city's oil-fired power-generating plant in February of 1995.

5. The Republic of Karelia pays for the oil by designating a forest harvest site north of Viel Lake.

6. ITS Tank sells the pulpwood to Metsaliitto, which pays in Finnish markkas. The sawtimber goes to the sawmill in Putikko. The milling costs are paid for in boards.

7. The boards sawn in Putikko are shipped via Hankoniemi to Germany. The customer pays with German marks.

8. ITS Tank pays its dollar debt to Rabus in Finnish markkas and German marks.

Small Businessmen Taking Over Timber Deals Over Eastern Frontier

Fumes from burning Russian fuel oil are emitted as the green Ural brand loader roars through the mud. Sawyer Leonid Voitemko is taking wood for export to the railroad tracks from a plot owned by the Russian company Visit.

The end of our journey brings us to the plot owned by Visit and the machinery of a Finnish contractor. Equipment operator Bengt Wahlroos from Motinkyla in Sipoo is examining a gear. It has come from a forest-harvesting machine's power train, which has now been disassembled and spread out on a sandy hillside. One tooth of the gear broke, causing the breakage of four pinion gears. The machine has been idle for three days.

"It's actually better that it is idle," says Wahlroos. "This is the worst possible time to operate it, for the machinery sinks into the ground."

The new gears aren't expected to get here from Finland until this week at the earliest, but Wahlroos isn't about to leave the plot—otherwise the lamps and batteries will disappear. Wahlroos has lived alone in the forest through the whole winter. "The bunkhouse has central heating and everything," praises Wahlroos.

A big plot being harvested by the Sirius Corporation is in nearby Kerisyrja. The Russian lumberjacks are sitting in a bus, drinking their evening tea. Carriage operator Tenho Kolehmainen is taking the motorized unit to Finland for maintenance. Birch logs are loaded onto a train in Vartsila; farther south the independent operators working near the border utilize the border crossing in Uukuniemi.

Harvest Volumes Still Low

Until now the Karelian forest harvest sites have been Enso's, Veitsiluoto's, and Tehdaspuu's territory. Now both Finnish and Russian small operators have gotten into the forest. They are making money by changing coal, oil, schools, and day-care center investments into wood.

Moscow made it easier this year for the small operators by doing away with the wood export licenses, which means that a license is no longer necessary for exporting wood. Experienced wood buyers are cynical, however, for the licenses are, in practice, "partially in force and partially canceled."

Despite the increased number of operators the harvest volumes are low because the purchasing by Karelia's own wood-processing plants has diminished due to the shortage of cash.

Deputy Minister Arkady Yegorov of the Republic of Karelia's fuel service committee says that only 4 million cubic meters of wood were harvested last year. In the best year of the Soviet era many times that much was harvested.

Yegorov estimates that the 170 million rubles budgeted for Karelia's oil purchases is sufficient to cover the oil bill for 100 days. The rest must be found on one's own initiative. As industrial production decreases and income from taxes diminishes, the deputy minister's gaze fixes upon the forest. "We could easily harvest 10 million cubic meters."

The Republic Has Become the Controller

Little by little the Republic of Karelia has gained control of its forests. Wood has become the cash of Karelia when the budgeted rubles do not suffice. In the Finnish trade short-fibered birch has become hard currency, for there is a shortage of it here. Otherwise milk cartons would have to be made of some other short fibers, even eucalyptus. The cellulose boilers of Russia, for their part, are not capable of processing the birch.

Almost 7 million cubic meters of raw wood was imported from Russia to Finnish mills last year, an increase of a couple of million cubic meters from

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the previous year. This volume is over 14 percent of the pulpwood harvested in Finland. The amount of sawtimber imported is negligible, and 70 percent of the pulpwood is precisely birch.

So far harvesting Karelia's forests has been a case of making do with little. Last year only 800,000 cubic meters of pulpwood were imported from the area.

Because the stumpage price of Russian birch pulpwood has stayed at 2,000-4,000 rubles, which is two to four markkas per cubic meter, one would expect the Finnish forests, where it takes over 100 markkas to buy a cubic meter on the stump, to be very peaceful.

"That Russian stumpage is just one operating cost," snorts Ilkka Kallio, assistant manager of Enso's cooperative venture, Ladenso. Other costs are added on, and, besides this, Ladenso operates on leased land, where it is responsible for the forestry practices. According to Kallio, by the time the wood is at the mill it ends up costing about as much as wood harvested from Finnish forests.

Smolensk Oblast Unemployment Statistics

954F2421A Smolensk RABOCHIY PUT in Russian 7 Apr 95 p 1

[Article by I. Krasnovskiy: "Fewer Unemployed in Smolensk Than in Ivanovo....For the Time Being"]

[FBIS Translated Text] The topic of unemployment is becoming increasingly trite. But alas—the situation on the labor market is so alarming that only radical measures will be able to save the situation and prevent social upheaval.

Data from the oblast employment center show that over the first few months of this year the production decline in oblast industry amounted to 16.1 percent, in construction—45 percent. Over 32,000 excess working people appeared on the labor market over this period. The total number of working Smolensk people decreased by 28,700 from the level for the same period last year.

The situation is extremely unstable at many enterprises, where operations have shut down. Prolonged production stoppages—longer than one shift—were seen at 101 enterprises, while in March of last year 88 enterprises were affected by such stoppages. Production stopped entirely during the first few months of the year at 20 industrial facilities.

This unstable industrial operation resulted in work time losses in excess of 310,000 man-days, which in turn resulted in significant hidden unemployment—this has already reached the 12 percent level.

During the first quarter of the year, 31,048—or 93 percent—more Smolensk citizens applied to the employment service than during the same period last year. Some 8,764 individuals were registered—67.3 percent more than last year. The unemployment problem for women continues to be especially painful—they account for 63.5 percent of the total number of Smolensk citizens unemployed.

The total number of individuals officially registered as unemployed in the oblast in January-March was 3,482. This figure is not yet all that high a percentage of the total number employed in production—just 0.62 percent. But the employment service notes an extremely alarming trend towards rapid growth in the number of unemployed. Whereas as of 1 January this year, the employment figure in Smolensk Oblast was 0.35 percent, and on 1 February it was 0.42 percent, today it has made its way right up to 1 percent.

The unemployment level exceeds the average for the oblast in 14 oblast rayons, while in Yershichi it equals the average level for Russia—2.78 percent. The employment situation is difficult in Yartsevskiy, Sychevskiy, Kardymovskiy, Shumyachskiy, and Ugranskiy Rayons, and in Desnogorsk.

The active policy being conducted by the employment service on the labor market is presently enabling us to control processes that are underway and keep the rising unemployment within socially acceptable levels. For example, job placement was effected through the employment service for 3,610 individuals in the first quarter. This is 27.7 percent more than for first quarter of last year. On the whole, the level of unemployment we see in our oblast—again, for the time being—is a great deal lower than what neighboring regions are experiencing. In Tver, for example, the figure is 1.4 percent, in Kaluga—2.2 percent. Present unemployment in Orel Oblast is at 3.4 percent, in Bryansk Oblast—4 percent, in Pskov Oblast—7 percent, and in Ivanovo Oblast—9.1 percent.

But we should not find consolation here, for according to estimated predictions, supply of manpower in the oblast labor market will exceed the demand by the end of the year by 82,000 people. The unemployment level may reach 16.8 percent. Experts assert that the maximum level short of threatening social upheaval is just 3 percent.

Smolensk Oblast Foreign Trade Turnover

954F2421B Smolensk RABOCHIY PUT in Russian 5 Apr 95 p 2

[Article by L. Alekseyeva, chief of the Division on Statistics for Material Resources and Foreign Economic

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Activity of the Smolensk Oblast Committee on Statistics: "Shortage of Domestic Products Compels Us To Purchase Abroad"]

[FBIS Translated Text] Last year over 100 oblast enterprises and organizations took advantage of the opportunity to do business on the foreign market—this is 20 percent greater than in 1993. In addition, 480 enterprises and organizations engaged in foreign economic activity with countries of the near abroad.

The oblast's foreign trade turnover in 1994 with countries of the far abroad and with the Baltic states totalled $269.9 million, with countries of the near abroad—121.8 billion rubles [R]. In trade with the far abroad, exports exceeded imports by $241.8 million. There was a negative balance of trade with the near abroad amounting to R0.8 billion.

The geographical scope of export-import operations is expanding. The oblast has established foreign economic ties with the firms of 56 countries. The number has increased 53 percent over the year. The largest volume of transactions is attributable to trade with Belgium (52 percent), the United States (11 percent), Germany (9 percent), Belarus (7 percent), and Ukraine (3 percent). The proportion of economically developed countries participating in the oblast's foreign trade is 86 percent.

The export of mineral fertilizers increased fourfold in 1994 due to the lifting of quotas and licensing restrictions. The main customers for Smolensk fertilizers were firms in Poland, Belgium, France, and Italy.

Disequilibrium in the consumer market, the low level of competitiveness of domestic output, and shortages of many products are compelling us to purchase abroad. Thus, import revenues to the oblast directly from foreign partners totalled $14.0 million from the far abroad and R61.3 billion from the near abroad.

Whereas large joint-stock companies formed on the basis of former state enterprises constitute the bulk (85 percent) of exporters, about 50 percent of all the importers are new structural formations.

Food products comprise 13 percent of the total imported consumer goods, clothing and footwear—9 percent. This production output comes mainly from countries such as Poland, Germany, Italy, Japan, Turkey, and China.

Along with the development of direct ties with foreign partners, we continue to receive centralized proceeds through intermediary firms situated mainly outside the oblast.

In connection with the insolvency of many enterprises and difficulties in acquiring currency, barter relations continue to develop which were established in 1994 by the Safonovo plant Gidrometpribor—with China, the joint-stock company (open type) Steklopribor and joint-stock company (closed type) Polimerkrovlya— with Poland, the joint-stock company (open type) Instrument and joint-stock company Charm—with Lithuania, and joint-stock company Iceberg—with Germany and the Czech Republic. These relations are mainly industrial in their orientation, but there are enterprises that exchange their output for consumer goods and sell these to their employees at lower prices.

One promising direction for economic cooperation between Smolensk entrepreneurs and foreign firms is the attraction of foreign investments and development of joint entrepreneurial activity. By the end of 1994, 170 joint enterprises (including with partners of the near abroad) had been established in the oblast. Their number increased by 83 percent over the year. Only 48 of them are actually in operation, however.

The total value of charter funds of joint enterprises comes to R500.6 million. In 1994 joint enterprises produced output and provided services amounting to R40.4 billion.

The sharp growth of inflationary processes in the country has influenced the nature of export-import transactions. Trade turnover volume in freely convertible currency is constantly increasing. In this regard, the number of enterprises having their own currency accounts is increasing annually. As of 1 January of this year, there were 63 such enterprises (25—as of 1 January 1994).

The total volume of currency proceeds into current accounts of enterprises amounted to $197.9 million. Some $120.8 million of this amount (61 percent) was obtained from the export of production output—46 percent greater than in 1993, $12.2 million was obtained from the export of services, and $26.2 million—from financial credits.

Industrial enterprises occupied a prominent position with respect to formation of the oblast's currency assets, accounting for $186.5 million.

Yavlinskiy Pays Visit to Nizhniy Novgorod

954F2480B Nizhniy Novgorod NIZHEGORODSKIYE NOVOSTI in Russian 25 May 95 p 1

[Report by N. Ryazanov under the "Visits" rubric: "Yavlinskiy, Persuading and Evoking Doubts"]

[FBIS Translated Text] This time, G. Yavlinskiy arrived in Nizhniy Novgorod to participate in a conference on bond borrowing. Naturally, he did not limit himself to this.

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As soon as he delivered his presentation, he went to Gorodetskiy Rayon to see how land reform is progressing. By the way, currently the well-known economist is working intensively on a program for the agrarian complex.

"I can tell you with certainty," G. Yavlinskiy told our correspondent, "that nowhere in Russia has more been done in the area of land reform than in Gorodetskiy Rayon. They have real experience there, and real positive results."

In Yavlinskiy's view, it is necessarily to envisage the creation of technological chains, that is, people who receive land should get access to transportation, means of storage, product distribution, financial support, and so on.

The leader of the Yabloko Duma faction said that the economic part of his party's electoral program reflects to a considerable extent the Nizhniy Novgorod region's experience and emphasizes the necessity of implementing reforms from the grass roots.

Speaking of privatization, Yavlinskiy emphasizes that he is more concerned not with the sphere but with the type of privatization. He believes that privatization conducted in the form of a boom, when in a matter of two months such industrial giants as GAZ [Gorkiy Auto Works] must be privatized, is a meaningless and harmful undertaking, which has resulted in absolutely inefficient forms of operation. Yavlinskiy advocates individual privatization with a clear understanding of who is the strategic owner and strategic investor.

To the question of a NIZHEGORODSKIYE NOVOSTI correspondent about his opinion regarding the creation of electoral blocs by V. Chernomyrdin and I. Rybkin, G. Yavlinskiy replied:

"This is an artificial formation, the meaning of which is to protect the people who are currently in power. These people are very rich, and own a lot of property. They obtained this property not as a result of their labor but because they had access to power. Now the government forms a certain party that will protect the interests of these major property-owners and which wants to merge together the different powers—that of the government, parliament, and party—in one person: V. Chernomyrdin. But to spice things up, they want to form another party of the same kind, which apparently will be headed by I. Rybkin. I know of countries where parties create the government and 'create' the president, but for the government and the president to create parties with the help of all this machinery—this can happen only in our country. But I think this experiment will be as 'successful' as, for instance, the story of the Social Accord Treaty...."

The crucial question: The cause of the breakdown of relations between the leaders of two State Duma factions: Ye. Gaydar (Russia's Democratic Choice) and G. Yavlinskiy (Yabloko). As is known, Gaydar called Yavlinskiy's withdrawal from the already achieved, in his opinion, agreement on joining forces in the election campaign a betrayal. In Yavlinskiy's view, this was an elementary misinterpretation of his position: He meant, he says, not the parliamentary elections, where, in his opinion, Russia's Choice and Yabloko should stand independently, since they have different views on implementation of economic reforms. He says that forces could be joined for the presidential elections, where the question of power and political regime will arise in full dimensions.

Everything seems to be quite clear. But will rank-and-file voters figure out these fine points? All they know for a fact now is that the leaders of two democratic factions have engaged in a confrontation. Will this not affect negatively the positions of both sides?

Gaydar Visits With Arzamas Workers

954F2480C Nizhniy Novgorod NIZHEGORODSKIYE NOVOSTI in Russian 25 May 95 p 1

[Report by N. Serov under the "Visits" rubric: A Private Visit In a Political Context"]

[FBIS Translated Text] There is no need to explain that Ye. Gaydar always is glad to have the opportunity to visit the city of his famous grandfather's childhood. And so this time too, he was happy to accept an invitation from Arzamas.

Naturally, the leader of the Democratic Choice of Russia party used his visit for purely business meetings as well. As Ye. Zagryadskiy, leader of the Nizhniy Novgorod Russia's Choice branch, told us, Yegor Timurovich met with the labor collectives of machine- building and instrument-building plants. Talk revolved around the economic situation in Russia and the disposition of political forces on the eve of the parliamentary elections. In Ye. Gaydar's opinion, if the government manages to stick to the adopted budget for the next half-year, the financial-economic situation will be substantially stabilized. Following that, a completely different process of interest in investment will begin, because today inflation scares off many potential investors.

At meetings with Arzamas residents, Ye. Gaydar was asked several times why a real alliance with G. Yavlinskiy's Yabloko did not work out. As Ye. Gaydar explained it, there was a preliminary agreement to field

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G. Yavlinskiy in the presidential elections as the democratic bloc's candidate, and to participate in the parliamentary elections on this basis as well. That is why Yavlinskiy's subsequent statements came as a complete surprise to Gaydar. Russia's Choice will no longer consider supporting G. Yavlinskiy in the presidential elections.

In Arzamas, Ye. Gaydar met with oblast Governor B. Nemtsov. Their conversation lasted about an hour and a half.

Agrarian Party's Lapshin Campaigns in Nizhniy Novgorod

954F2480A Nizhniy Novgorod NIZHEGORODSKIYE NOVOSTI in Russian 25 May 95 p 1

[Report by Ye. Maslova under the "Visits" rubric: "On Jingoism and the National Idea"]

[FBIS Translated Text] The cavalcade of well-known politicians arriving in the Nizhniy Novgorod region these days and staging a virtual competition in attracting local voters' attention to themselves and their parties and movements has supplied Nizhniy Novgorod residents with a lot of interesting material for both idle talk and serious reflections on political topics. For instance: Do statesmen always know what they are proposing?

The shortest, and most laconic in terms of program, turned out to be the visit of M. Lapshin, chairman of the Agrarian Party of Russia and leader of the Agrarian faction in the State Duma, who only managed during the evening of 22 May and the first half of 23 May to meet with oblast Governor B. Nemtsov and speak to local activists of the agro-industrial complex [APK] in the Palace of Labor.

In all probability, Lapshin was compelled to limit the time frame and extent of his visit by the still open issue of the all-Russia peasants' strike that was planned after 10 May. Lapshin maintains that by threatening to strike, the agrarians only want to get from the government what has been promised to them at various times in various government decrees—nothing more. In particular, to provide rural goods producers with the means to enable them to carry out the necessary spring field work; to fully implement the federal budget with respect to the APK, and present a program for getting the APK out of crisis; to introduce elements of state regulation of the agricultural economy (state procurement and state orders); to write off some loans to agrarians to the internal state debt; to establish price parity with respect to agricultural output: for grain and diesel fuel, for instance, at 1:1, and for milk and fuel—1:3.

The idea of price parity, which is very dear to M. Lapshin's heart, apparently was brought up in his conversation with B. Nemtsov as well. In any case, the next day the governor said the following on the subject: "The idea is nice, but it will result in the complete destruction of Russian agriculture. We will start getting all our grain from Argentina, the United States, and Canada. Simply because it will be about twice as cheap there. A similar picture will arise with respect to milk. If, as Mikhail Ivanovich proposes, we equalize the price of 1 kg of milk with that of 3 kg of diesel fuel, a liter of milk will cost 5,000 rubles [R]. Butter will be sold at R100,000 a kg, and naturally, nobody will buy it. Complete slaughter of the dairy herd will follow. I consider these proposals as anti-peasant and absurd...."

Lapshin's speech also contained other "nice" ideas, which reminded me personally of those of Lenin in some sense. For instance, that the land is intended exclusively for the peasants and should not become subject to either voucher-based privatization or buying and selling. The Agrarian Party is trying to codify this idea in the Russian Federation Land Code, which, according to Lapshin, will be considered in the State Duma in June. Far from everybody understands, I think, how Russian private farmers, whom the Agrarian Party verbally does not reject, will technically fit into all this.

Meanwhile, as the party leader maintains, the Agrarians today represent a rather formidable force. The party, which claims more than 300,000 members, unites rural goods producers, the agrarian intelligentsia, and workers employed at small processing enterprises, and is open to everyone "who holds dear the idea of real reform." From narrow sectoral interests, it progressed to a general national idea—turning Russia into a great agricultural power. In M. Lapshin's opinion, this idea is sufficient to allow the Agrarian party to act as an independent coalition in parliamentary elections. In the presidential elections he allows for the possibility of an alliance with other forces.

The short time frame of the visit did not permit M. Lapshin to examine "hands on" the Nizhniy Novgorod model of reforming peasant farms (he does intend to do this, he says). Citing this circumstance, the guest was extremely cautious when mentioning it. In the sense that reforming land relations is only a part of reforming the sector and that it would be best to do so as part of a comprehensive effort; and that what is good for Nizhniy Novgorod Oblast may turn out to be bad for Saratov Oblast; and that Nizhniy Novgorod residents should avoid jingoism and see the good there is in other regions. According to M. Lapshin, there are about 10 models of reform that are producing great results.... In short, we gather that the Nizhniy Novgorod model

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does not have much of a chance to please the leader of Agrarians.

On the other hand, why should we try to make everyone like everything here?

Statistics on Tatarstan Wages, Buying Power

954F2502B Kazan RESPUBLIKA TATARSTAN in Russian 8 Jun 95 p 2

[Article by Yelena Taran under the "Fact and Commentary" rubric: "Count the Money in Someone Else's Pocket; on the Average Every Tatarstan Inhabitant in April Had Earnings for Two 'Baskets,' Not a Lot..."]

[FBIS Translated Text] Statistics, which are impartial to our troubles, reported that the calculated wage in April (but not paid to everyone on time) amounted to R347,800 [rubles]. In comparison with April of last year, it increased by a factor of 2.4. It would be possible to immortalize the names of the employers for such a swift increase in the contents of our purses, if... if the consumer prices for the year (from April 1994 to May 1995) had not increased by a factor of 2.9. In a word, the wage was cut in the year we are examining by... almost one and a half consumer baskets.

While an able-bodied Tatarstan resident could acquire 3.3 minimum consumer baskets on an average April 1994 wage, and taking social payments into account—3.5, then in April of this year—he could acquire only 1.9 "baskets" (2.1, taking social payments into account). It turns out that the period of transition to a market requires from us not only continuously increasing nervous overwork associated with the fear of losing one's job and with a restructuring of thinking and style of life, about which politicians are always talking, but also a more moderate consumption of food products and daily necessity commodities—after all, you will not get far on two "baskets" that are not full. Especially when their contents are calculated in such a way so that the able-bodied Tatarstan resident, as the saying goes, would not turn up his toes.

Of course, it is somewhat unpleasant to count the money in someone else's pocket. But since the statistics have already undertaken to do this, it is also difficult for us to restrain ourselves. As the Goskomstat [State Committee for Statistics] of the Republic of Tatarstan reports, drilling operations organizations have been traditionally highly paid over the course of many months. In April the average wage there reached R712,200. The second row in this table of ranks is held by workers of commercial organizations for market support (i.e., various firms that flood our market with domestic and imported commodities)—their April wage equalled R705,200. Then there are workers in credit, finance, insurance, and security organs—R615,000. Thus, it should not be a surprise that the current young generation is striving to find a place for itself under the sun specifically in commercial and financial activity. More money is earned where it circulates.

As for the basis of our economy—industry, the workers here can hardly brag about bulging purses, with the exception, perhaps, of the board of directors. The average wage in April in industry amounted to R387,500. The earnings are a little higher for builders and transport workers—R417,100 and R565,800, respectively.

As always, I would say, the intelligentsia and agricultural workers are at the tail end of the tables of rank. The average wage in the kolkhozes amounted to R202,400, in cultural and art institutions—R232,900, public education—R249,700, and science and scientific services—R268,900. And the list is closed by forestry workers, for whom the average wage in April did not reach the R200,000 mark: Either the forests have died out little by little, or we do not need their protection and augmentation.

But the wage that has been calculated and paid is the same as ice and water. In structure it is the same molecules and oxygen, but in fact the money received with delays of several months melt in the hands of their owners, like pieces of ice; after all, their real value has changed radically during this time. But wage indexation remains only a fond wish. Those very same statistics, for example, report that the wage indebtedness for the first of May was continued at 1,503 enterprises and organizations and amounted to R164.4 billion (on 1 April—R212.2 billion). If the prices would increase with the same delays with the payment of wages...

The average wage indicator (R347,800), unfortunately, levels its lower and upper limits. As for the "ceiling," then most often it constitutes a commercial secret, but then its minimal level—this is already a social problem of the society. For example, the average wage was less than R110,000 in April at 198 enterprises with a total number of 39,700 persons. For this wage it is impossible to buy even one minimal "basket." In fact these 40,000 persons (but there are really more) ended up below the poverty line.

Of course, according to Goskomstat data, fewer and fewer Tatarstan residents live on one wage. For example, in 1994 its portion in monetary incomes amounted to 58 percent (in 1993—69.8 percent). In other words, the low wage forces people to seek earnings on the side. In itself, this aspiration is laudable and should be encouraged; however, in a majority of cases, side income is concealed from the tax organs, and the republican treasury loses income. So this is already a minus....

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KamAZ Stabilization Steps Noted

954F2502A Kazan RESPUBLIKA TATARSTAN in Russian 7 Jun 95 p 1

[Article by V. Zhigulskiy, RESPUBLIKA TATARSTAN correspondent: "The Kama Automobile Plant: The First Step to Stabilization; For the First Time This Year, Three Thousand Automobiles Came Off the Main Assembly Line in May"]

[FBIS Translated Text] The achievement would seem to be modest. But when you consider that recently the production of trucks fluctuated at the 1,500 units per month mark, then it is impossible not to notice it. A stabilization credit in the amount of $150 million that KamAZ [the Kama Automobile Plant] received within the framework of the implementation of a contract with the American KKR and Kammins [names as transliterated] companies made it possible to settle immediate debts and to increase the purchase of materials and spare parts. The previously almost completely dried-up technological streams are beginning to be filled. Starting 1 June, the finishing automobile plant went over from a four-day to a five-day work week; moreover, on a two-shift schedule. And the main conveyer will operate 24 hours a day.

This organizational decision, which was set forth in an order of the director of the enterprise, A. Maslennikov, it would seem, is in contradiction to the very strict economy policy being conducted now by the joint-stock company. After all, it is clear that the extension of the work week, when the volumes of production have not yet reached the necessary level, is associated with the risk of going over the limits of the planned wage fund. However, the risk has to be taken.

"For two years after the fire," explained N. Galnullin, the KamAZ deputy general director for public relations, "many collectives got out of the habit of the intense rhythm, and it is essentially necessary to learn how to work all over again, including strict compliance with technological discipline and control over the quality of production. The process is very difficult, and it can be compared with the rehabilitation of a recovering patient. However, the regime of tough economy is not being abolished. In comparison with last year, the wage fund has to be reduced by one-fourth, energy consumption by 15 percent, and the passenger car transport pool has been reduced almost by a factor of two. And this is the case for all expenditure items.

Maximum exactness is also displayed in the use of the stabilized credit. Part of it is earmarked for the settlement of wage debts. By 10 June, auto plant workers will receive it for April. And this disruption of one month will be continued for the time being, but the delayed wage will be indexed, taking inflation into account, as is written in the collective contract.

The financial committee of the joint-stock company, which is headed by L. Kom, KamAZ vice president, meets practically daily. Representatives of the investors also take direct part in its work. The caution of the Western partners can be understood. A guarantee of the return of the invested resources is a key problem in the mutual relations of the borrower and creditor, especially in a country where the market economy is in a stage of formation. This, incidentally, also explains the delay in the receipt by KamAZ of the first half of the stabilization credit (the second part—another $150 million—is expected in August). Experts of the European Reconstruction and Development Bank have studied all aspects of the activity of the Kama Automobile Plant so carefully that they even checked the ecological safety of its production, which, possibly, other bankers will not have to examine thoroughly.

Of course, the time shift could not help but reflect on the schedule of the stabilization of KamAZ's economy. As is known, according to the initial rough draft, it was proposed that already at the end of the first six months the rate of assembly of automobiles would increase so much that the joint-stock company would begin to operate at a profit. Now this will happen a month later, if KamAZ produces 4,000 trucks in June and 5,000 trucks in July.

But the main task of the stabilization period is to achieve a normal credit standing by December.

Tatarstan-Bulgaria Trade Agreement Signed

954F2522B Kazan RESPUBLIKA TATARSTAN in Russian 10 Jun 95 p 2

[Article by unidentified correspondent: "Intergovernment Tatar-Bulgarian Agreement Signed"]

[FBIS Translated Text] A report arrived from Sofia that an intergovernment agreement on trade-economic and scientific-technical cooperation was signed on 8 June by Prime Minister of the Republic of Tatarstan Farid Mukhametshin, who is there on an official visit, and Kiril Tsochev, deputy chairman of the Council of Ministers and minister of trade and foreign economic cooperation of the Republic of Bulgaria.

The purpose of the agreement is to promote the development of all-round cooperation on a mutually advantageous and long-term basis. The parties committed themselves to ensuring favorable economic, financial, and legal conditions for entrepreneurship and other economic activity, to promoting the creation of joint enterprises,

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and to exchanging economic and scientific-technical information. A protocol concerning intentions that lists specific projects for joint implementation and commodities for mutual deliveries is appended to the agreement.

On the whole, the visit was fruitful. At the airport, F. Mukhametshin and persons accompanying him were met by Chief Secretary of the Council of Ministers of the Republic of Bulgaria Valentin Korkinov, Deputy Minister of Trade and Foreign Economic Cooperation of the Republic of Bulgaria Ivan Kolev, Ambassador of Russia to Bulgaria Aleksandr Avdeyev, and other officials. On the same day, 6 June, a meeting was held with A. Avdeyev, employees of the Russian trade mission, and representatives of Tatarstan firms working in Bulgaria. The head of the Government of Tatarstan laid a wreath at the monument to the Unknown Soldier and the Soviet Army and visited the Patriarchal Cathedral of Aleksandr Nevskiy.

On 7 June the business part of the visit included participation in the open business meeting "Interkontact '95," where F. Mukhametshin, gave a speech, and familiarization with the exhibition in the City of Khisarya.

The day of 8 June was meaningful. F. Mukhametshin received Chairman of the Council of Ministers of Bulgaria Zhan Videnov. In the course of the talks, which took place in a situation of mutual understanding, the status and outlook for bilateral cooperation in various fields were considered.

The prime minister of Tatarstan also met with Chairman of the National Assembly of Bulgaria Academician Blagovest Sendov. A wide range of questions that were of mutual interest were touched upon in the talks.

A plenary bilateral meeting was held with the participation of K. Tsochev and F. Mukhametshin, and also a news conference for journalists. A dinner was given on behalf of Deputy Prime Minister K. Tsochev in honor of the high guest.

In addition to the aforementioned agreements, a protocol was also signed on that day on cooperation between the foreign economic departments of Bulgaria and Tatarstan.

The official part of the trip was concluded with a reception in the Embassy of the Russian Federation on the occasion of the official visit of the prime minister of Tatarstan to Bulgaria.

On 9 June the delegation, which included Minister of Foreign Economic Affairs Shavkat Arslanov and Minister of Trade Azat Nurullin, returned to Kazan.

Volgograd Oblast Duma Debates Administrative Structures

954F2449A Volgograd VOLGOGRADSKAYA PRAVDA in Russian 29 Apr 95 p 1

[Article by unidentified VOLGOGRADSKAYA PRAVDA correspondent under the "In the Oblast Duma" rubric: "On Regulations, Money, and Respect for the Russian Language"]

[FBIS Translated Text] The regular session of deputies of the oblast Duma began with a report from the chairman to the effect that now, in addition to the Communist faction, another one had been registered—an Agrarian faction with 10 members.

E.D. Boguslavskiy gave a brief report entitled "On the Course of Preparations of the Draft Regulations of Volgograd Oblast." Calling this document the foundation of the plan for organization of authority in Volgograd Oblast, he recalled that the authors of the concept of the Regulations proposed this schema: governor—government—Duma. But the majority of deputies and specialists of the administration came to the conclusion that it would be expedient to preserve the existing structure: Duma—oblast administration. The stumbling block was the point about the head of the administration: whether he was to be appointed or elected by the population or the deputies.

All were in favor of election, but if the administration thinks that the population should have the last word, among the deputies there are those who are in favor of having the head elected by the members of the Duma. This is the opinion, for example, of the faction of Communists who, in M.A. Tarantsov's words, are afraid that the population might elect "the wrong people." To which A. Rogozhin, who attended the meeting, justifiably replied: The people who voted for these deputies might have made a mistake as well....

In the voting, 18 Duma members supported the version of the election of the head of the administration by all the population.

The law of Volgograd Oblast "On the Budget of the Economic Fund for 1995" was adopted, but there were also arguments during the discussion, particularly regarding the amendment made by the ecology commission pertaining to distribution of shares of the fund. Now they are as follows: 60 percent of the collections remain with the territory, 30 percent are transferred to the oblast, and 10 percent go to the federal budget. The rayon heads actively supported the proposal to have half of the funds from the territories' share go directly to the localities precisely for environmental protection

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measures and not have it concentrated in the city environmental protection committee. And this is what was decided by a majority of votes.

The law "On the Introduction of Fees and Duties for the Use of Foreign Alphabets and Names in Titles of Legal Entities and Advertising of Foreign Goods on the Territory of Volgograd Oblast" was adopted on the first reading.

The following mechanism is suggested: For the use of foreign alphabets in names where it is possible to do without them, annual fees shall be introduced in the amount of 500 times the minimum wage.

All documents pertaining to the distribution of funds are always accompanied by lively debates, which was confirmed once again by the debates regarding the draft law "On Making Changes and Additions to the Law 'On the Oblast Budget for 1995'" with respect to the utilization of the amounts by which revenues exceed expenditures in the oblast budget. This amount, according to figures of the first deputy chief of the oblast financial administration, L.B. Pikman, amounted to 13.229 billion rubles [R] for 1994. There were immediate suggestions as to where to spend this money: for improving children's recreation during the summer—R7.5 billion, for a program of social protection—R1.5 billion, for education—R1.5 billion, etc.

The deputies made adjustments to the expenditure items and the principles for their distribution. For instance, the money for summer vacation for children will now be received not only by subsidized rayons but all without exception in proportion to the population. And 4.4 billion will be placed in the administration's reserve fund, 2 billion—into the social security program, 1.9 billion—the "Family and Children" program, etc.

A report was heard from the deputy chief of the oblast administration, V.N. Bespalov, and a Duma decree was adopted: "On the Program for Preparing For and Conducting the Celebration of the 50th Anniversary of the Victory and Other Memorable Dates of the Great Patriotic War."

The deputies approved the statute on the work commission for oversight of the observance of sociolegal guarantees for active-duty military servicemen on the territory of Volgograd Oblast, taking into account the proposals and suggestions that were made.

On the second attempt the Duma gave the go-ahead to make changes to the plan for administration of the oblast so that, without increasing the size of the staff and expenditures on maintaining it, a committee of the administration of Volgograd Oblast could be formed for protection of consumers' rights. The statute on the committee will be considered in addition.

Volgograd Oblast Privatization Progress

954F2464A Volgograd VOLGOGRADSKAYA PRAVDA in Russian 11 May 95 p 2

[Article by O. Suragina: "Everything Round About No Longer Belongs to the Kolkhoz. In the Oblast, 70 Percent of the State Property Has Been Privatized"]

[FBIS Translated Text] On Thursday, the leaders of the oblast committee for the administration of state property met with journalists.

Committee Chairman Yu.M. Medvedev reported that 2,200 enterprises had already been privatized in the oblast. This is a fairly high indicator for Russia, although recently the tempo of privatization has slowed significantly. In all in the oblast, 70 percent of the state property has already been privatized.

Monetary privatization is on the agenda. Everything has already been calculated for us, as usual. It turns out that the oblast should receive 100 billion rubles [R] in income from monetary privatization. Incidentally, in all the past "privatization" years, only R65 billion in such income was received. But Yu.M. Medvedev considers R100 billion a completely realistic figure. And this is even despite the fact that interest in shares in enterprises has fallen significantly on the part of legal entities and physical persons. The chairman of the committee for the administration of state property himself explains this in part by the fact that the shares put up at auction now are in enterprises for which there was no great demand earlier either. "Unneeded capacity"—this is how Yu.M. Medvedev termed, for example, the Kamyshinskiy forge and foundry plant. In general, the situation in the economy is extremely complex. Of 51 enterprises of Volgograd and Volgograd Oblast that were inspected by the territorial agency for insolvency (bankruptcy) affairs, 23 were deemed insolvent, and two—the private ITEX-Broker and the state Ekolit—have already officially been deemed bankrupt by a court of arbitration.

A regional commission on securities has been created and has already begun its work: It has made suggestions for a draft federal law on securities, has formed 20 registers of entities on the local stock market, and has set up a "hot line"—32-90-80 [number as published]. Calling this number, you can find out the legal status of a company operating on the securities market that interests you, whether it has a license, and also information on its authorized capital and prospectus.

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Besides this, it is just this commission that will now be engaged in the protection of the investors. In accordance with the presidential edict of 26 April, all structures operating in the financial and stock markets are obligated within a three-month period to undergo reregistration. If this is not done, the commission undertakes administrative measures. True, Yu.M. Medvedev did not promise to shut down the RDS [not further identified], and it is hardly likely that the commission, like its predecessor, for that matter, will be able to do so.

But then, Yuriy Mikhaylovich in all sincerity advised the journalists to acquire oblast bonds. He himself, however, is not doing this. For the time being, as he explained. And now a Volgograd stock corporation has already sold a whole 150 bonds. Not a whole lot, but the fact that "the process has begun" does still inspire optimism. The funds from the flotation of bonds, according to the chairman of the committee for the administration of state property, should go for the construction of a bridge, housing, and the realization of the "Broiler" program. It is a pity that these funds are not great—only R50 billion. They are hardly likely to suffice for a bridge, not to speak of housing and broilers. But, as they say, the authorities know best.

Volgograd Commercial Bank System Surveyed

954F2449B Volgograd VOLGOGRADSKAYA PRAVDA in Russian 28 Apr 95 p 2

[Unattributed article under the "Banks" rubric: "Foreign Ones Sound Better, Local Ones Are More Profitable"]

[FBIS Translated Text] As of 1 January of this year 25 commercial banks and 88 of their branches were registered in the oblast, and there were also 14 branches of out-of-town commercial banks. Of these, 11 banks have capital amounting from 1 to 5 billion rubles [R] and more, and 14 banks—up to 1 billion. The indicator of the level of concentration of banking capital in our oblast exceeds the average for Russia.

The total capital of commercial banks in the oblast as of 1 January amounted to R233 billion, which is 2.3 times more than a year ago.

As of 1 January, five banks had a negative value of capital for an overall total of R24 billion. The founders of one of them, the Slavyanka Bank, have already made a decision to liquidate. Three other banks have tried to pull themselves out of this crisis condition but, in the opinion of the chief of the Main Administration of the Central Bank for Volgograd Oblast, A.I. Shirokiy, this is extremely problematic. But, in order to make sure their colleagues do not go under completely, the Central Bank prefers not to say so for the general public.

Last year commercial banks offered the oblast economy a total of R869 billion rubles in credit—this is 2.9 times more than last year. At the same time the situation with the repayment of credit worsened: Defaulted indebtedness of clients to banks as of 1 January amounted to R277 billion, or 32 percent of the overall sum of indebtedness. This is nine points higher than the average indicator for Russia. As specialists of the Central Bank think, in many cases this is also a consequence of the fact that decisions to grant credit are made unilaterally by the representative of the bank's board, and the financial situation of the borrower, the reliability of the guarantee, etc. are not taken into account.

During the past year deposits of the population in banks increased 5.1-fold and reached R82 billion (this is not counting the Savings Bank). In spite of the fact that Savings Bank deposits increased 4.5-fold last year, their share of the sum of the overall deposits of the population in banks decreased from 82 to 80 percent.

As of 1 January in 10 commercial banks the deposits of the population exceeded the amount of the bank's capital, and in some of them severalfold, which shows the growing degree of risk. Last year, because of the shortage of capital, 13 banks were prohibited from accepting deposits—Volga, Tsaritsyn, Slavyanka, Meridian-Plyus, etc.

According to figures of the Main Administration of the Central Bank for Volgograd Oblast, the overall amount of reserve funds necessary to cover possible losses and unforeseen expenditures of banks in the oblast is R13 billion. But the process of accumulating this amount is proceeding irregularly: While in two banks the reserve funds exceed 50 percent of the authorized capital, in 15 they are less than 10 percent. The reasons are the instability of the financial situation and the shortage of profit.

The amounts of currency assets of the banks as of 1 January are from R0.5 billion to more than R110 billion.

In the oblast as a whole the gross revenues of the banks according to the results of last year increased 48-fold and amounted to R677 billion. The main source of the growth of revenues was interest on credit in rubles and foreign currency. Net profit in the various banks last year amounted to R93 billion. And seven banks ended the year with losses (a year ago—two banks).

Most of the banks of the oblast, according to specialists of the Main Administration of the Central Bank for Volgograd Oblast, are included among those that are problematic and in crisis. Only one is evaluated as stable (which one—again it is not named: Suddenly not everyone likes this)....

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Three banks ended up in the category of problematic—they work with nonbudget funds and the oblast budget, which "cannot but disturb us"—as the chief of the administration of the Central Bank for the oblast, A.I. Shirokiy said with regard to this fact. Of the branches of banks in other cities that had begun to operate by the end of 1994, nine are in critical condition. In the opinion of specialists of that same Main Administration of the Central Bank, there are no stable ones on the list.

The banks selected currency operations as a priority area for themselves: wholesale and retail trade in cash currency, service for specialized exporters, etc. But they are in no hurry to grant credit to enterprises and organizations of the oblast. This share decreased appreciably last year.

Analysis shows that the outflow of monetary funds from our region during the second and third quarter of 1994 amounted to 12 billion and exceeded the influx by a factor of 7.4, which causes specialists of the Central Bank to draw a disturbing conclusion: The oblast's resources are flowing outside it primarily through branches of banks in other cities. The overall sum of profit of the branches received during the year decreased by almost 20 percent as compared to last year. And as compared to local banks, their revenues ended up to be five times less.

Volgograd Experiences Shortage of Agricultural Machinery

954F2464B Volgograd VOLGOGRADSKAYA PRAVDA in Russian 11 May 95 p 2

[Article by V. Maksimov under the "Rural Journal" rubric: "On the Eve of Mowing Time"]

[FBIS Translated Text] The opinion exists that the peasant and his farm, even in conditions of the most acute economic crisis, will survive. Those who hold this view simply reason in this way: The land will feed them, and if there is no equipment, they can plow and sow with an ox, and they can gather in what they have grown with sickle and scythe, by hand....

"It is not only wrong, it is pernicious to think this way," disagrees V.S. Alimov, deputy head of the Main Administration for Agriculture and Food of the oblast administration. "The countryside is not now in a position to be able to produce without machinery."

That is the truth. Let us begin with the fact that there are now practically no draft animals. We remind the reader that in the farmsteads, villages, and stanitsas, no skilled craftsmen remain who could manufacture even just that wooden plow. And how hard it is on the hands! In general, neither the individual nor the collective farms can get by without machinery. Not only for field work, but for any rural work.

Such are the arguments that one comes to upon familiarizing oneself with the report on the progress of repairs and the degree of readiness of the forage harvester machinery. After all, mowing time is right around the corner. The southern rayons bring out their machinery to the sown grass crop already at the end of the second and the beginning of the third 10-day periods of May. This is the usual thing, but this spring, according to specialists' assessments, it is proceeding ahead of schedule. So how are they getting ready in the countryside for the time when the grasses are ready for mowing?

The equipment situation is in general bad now. If the forage harvesters numbered 4,100 on the oblast's farms in 1990, now there remain 2,300. The number of pick-up balers, hay stackers, tractor-drawn rakes, and mowers of various types has declined by a factor of 1.5 to two. That is understandable—the countryside is as poor as a church mouse, and agricultural machine-building is in deep crisis. So there is neither anything to buy machinery with nor machinery.

Even if the harvest area has been reduced, it has not been to the extent that the machinery stock has been. It is necessary to reap, if one is to speak of the oblast on the whole, on 165,000 hectares of perennial grass crops and on 180,000 hectares of annual grass crops, and from almost 200,000 hectares of native hay fields. The load on any of the fodder-preparing machines is very high. In these conditions, there is only one way out of the situation—to prepare the equipment well for the hard work of mowing time, and to utilize it in a highly productive way.

But that is in theory; practice is a lot more disturbing. By the beginning of May, only 47 percent of the forage harvesters, 55 percent of the mowing machines, 52 percent of the tractor-drawn rakes, 56 percent of the presses, and 65 percent of the hay stacker- loaders were in good repair. One can consider the situation regarding equipment preparedness to be more or less tolerable only in Staropoltavskiy, Oktyabrskiy, Svetloyarskiy, Zhirnovskiy, Kalachevskiy, and Novoaninninskiy Rayons. And God alone knows what the folks of Gorodishchenskiy, Dubovskiy, Ilovlinskiy, Kletskiy, and Pallasovskiy Rayons, where at best a third of the machinery stock has been repaired as yet, will do in the field.

In this connection, one recalls the numerous tragedies of last winter. For example, at the Tsatsinskiy sovkhoz in Svetloyarskiy Rayon, in December, even, the farm's main herd (11,000 sheep) was left without fodder. The animals were turned out into the field—get what

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you can, little sheep, under the crust of ice covering the snow. The losses for January alone were more than 1,000 head. And the reasons for the cruel fodder shortage were not only drought and lack of money, but also a poorly conducted campaign of laying in the fodder. Many oblast organizations had to work on redressing the situation on the farm, and after all, what has been lost cannot be brought back....

So is it now already necessary to orient oneself on new livestock-raising tragedies?

On the first working day of May, a session was held of the oblast commission providing the leadership with studies on the completion of sowing of spring crops and the preparation for the gathering in of the fodder and grain crop harvest. The main attention was concentrated, naturally, on the rapidly approaching mowing time. What came of it? First of all, it was noted that a large quantity of the forage harvesting machinery that has on the whole already been repaired can in no way be placed in the "ready" column.

"The thing is that at the oblast agricultural supply bases, there are practically no spare parts," says V.S. Alimov. Many units and parts must be ordered from outside the oblast; and cash is needed, of which, of course, there is none...."

Yes, you cannot get anywhere without money. And now the hay crop on irrigated lands has been placed in jeopardy. The Volgogradenergo joint-stock company is demanding 40 billion rubles [R], or it will not provide electrical energy for the irrigation systems' pumping stations, whose state of readiness, incidentally, is as yet a little more than 70 percent. The commission has obligated the finance office of the oblast administration to allocate R1.6 billion for launching work on irrigated lands at the expense of subsidies for livestock raising, but to fundamentally rectify the situation, this is clearly not enough.

In general, the situation is murky in the production of fodder and the outcome of the "new" approach to this branch. Yes, in collective farms of all forms of ownership, seasonal detachments for laying in the fodder have been maintained. But this alone is too little for the success of the enterprise; a more serious approach to it is necessary. And who will provide it? On many farms, the positions of deputy managers for fodder have been abolished, and very few agronomists specializing in this area are left. What are we talking about kolkhozes and sovkhozes for, when even in the Main Administration for Agriculture and Food of the oblast administration there is no corresponding department, or even section!

True, we do have the Volgogradkorm association, which was intended by its creators to provide both a scientific and a practical base for a modern and, consequently, effective fodder production. But the association is a self-supporting one; membership in it is on a paid basis, and far from everyone can afford it. So even here, a lack of money strikes at producers very hard. Less than 10 percent of the collective farms in the oblast belong to the association—a drop in the ocean.

The conditions for forming the harvest both of sown and native grasses taking shape this year are not the best. In a majority of the rayons, the winter and early spring moisture content of the soil has turned out to be clearly insufficient, and here there were also the April dust storms, and on top of that, an almost complete refusal to use mineral fertilizers.... In a word, each kilogram of soiling food and hay will today be very expensive. In order not to repeat tragedies similar to what happened last winter at the Tsatsinskiy sovkhoz, it is necessary to really work.

Crime Decline in Volgograd Oblast Noted

954F2449C Volgograd VOLGOGRADSKAYA PRAVDA in Russian 15 Apr 95 p 2

[Article by V. Konovalov: "It Is Calmer on the Streets, But There Is Shooting"]

[FBIS Translated Text] The problems of law and order in Volgograd Oblast and the results of the fight against crime during the first quarter of this year were the subject of a news conference given by the first deputy chief of the internal affairs administration of Volgograd Oblast, Police Colonel V.I. Novikov.

"Statistics show," he said, "that we are still maintaining the tendency observed last year toward reduction of the number of reported crimes. During the first quarter of this year 8,400 crimes were reported in the oblast, which is 7.4 percent less than during the corresponding period of 1994. The reduction of crime occurred mainly because of the reduction of the number of thefts (by 7.3 percent), robberies (by 28.7 percent), and muggings (by 28.8 percent), cases of swindling (by 14.4 percent), arson (by 46.2 percent), criminally punishable hooliganism (by 17.6 percent), hijacking of transportation (by 57 percent), rapes (by 26.8 percent), and certain other types of crimes. And although the rates of increase of robbery and muggings decreased by a factor of 1.4, in the overall structure of crime in our oblast, theft of others' property predominates, making up 46.6 percent.

Probably every Russian is disturbed by the overall percentage of crimes that are solved. During the first quarter of this year as compared to the corresponding period of

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last year it improved in our oblast by 6.5 percent and amounted to 63.3 percent. And the percentage of crimes solved by the crime police improved by 5.5 percent and amounted to 55.1 percent.

Significant efforts have been concentrated on revealing and preventing the activity of organized crime groups and formations. The UOP [Organized Crime Administration] alone interrupted the activity of 20 organized crime groups with a total of 65 members, from whom 11 units of fire arms and 362 cartridges were confiscated. Criminal charges were brought in 29 of the cases of crimes that were discovered and 21 of them went to court.

Colonel V.I. Novikov noted with satisfaction a certain improvement of the situation on our streets. During the first quarter, 5.2 percent fewer crimes were committed than during the same period of last year. The lowest proportion of crimes committed in public places was found in Bykovskiy, Ilovlinskiy, Kalachevskiy, Nekhayevskiy, and Svetloyarskiy Rayons, and on the streets—in Gorodishchenskiy, Ilovlinskiy, Kalachevskiy, Rudnyanskiy, and several others.

As a result of the measures that were taken, the number of crimes committed using firearms and ammunition decreased by 67.8 percent here. But, as V.I. Novikov noted, recently there has been a considerable increase in the quantity of weapons and ammunition confiscated by workers of law enforcement organs from citizens keeping them illegally. The influx into our oblast is conditioned, in the opinion of specialists, by the region's proximity to the region of armed conflict—Chechnya, from where the weapons and ammunition are brought in to be sold.

Last Tuesday we reported in our newspaper on the shooting that occurred at the end of last week in Dzerzhinskiy Rayon of Volgograd. Police Colonel V.I. Novikov reported at the news conference several more details of this bloody drama on K. Simonov Street. The reason for this incident, as he put it, was simply ridiculous: A crime group carrying weapons came to have it out with some people who would not let them into the street.... According to information as of Wednesday, one person had been killed and four wounded as a result of the shooting. Eleven members of the crime group were arrested. A homemade automatic and three pistols were confiscated from them. Criminal charges were brought.

A very concrete answer was given to a question from one of the journalists as to how many crime groupings there are in the oblast— more than 200. According to information from law enforcement organs, more than 700 people participate actively in them.

Concluding the news conference, Police Colonel V.I. Novikov said that, taking into account the conclusions from the appraisal of the operational situation and the proposals from the services of the Internal Affairs Administration, a number of additional measures for stepping up the fight against crime and reinforcing law and order have been developed for this month and are already being introduced, so that the people of Volgograd may live and work in peace.

Federal Decree on Novosibirsk Socioeconomic Stabilization

954F2518A Novosibirsk SOVETSKAYA SIBIR in Russian 9 Jun 95 p 1

[Decree 534 of the Government of the Russian Federation of 31 May 1995: "On Measures To Resolve Urgent Problems of Stabilization of the Socioeconomic Situation in Novosibirsk Oblast," Moscow]

[FBIS Translated Text] For the stabilization of the socioeconomic situation in Novosibirsk Oblast, the Government of the Russian Federation decrees:

1. That it accepts the proposal of the Administration of Novosibirsk Oblast and the Siberian Department of the Russian Academy of Sciences concerning the formation of the "Novosibirsk" Technology Park.

That the Ministry of Science and Technical Policy of the Russian Federation will render the Administration of Novosibirsk Oblast the necessary assistance in the preparation of documents on this matter for them to be submitted within three months' time to the Government of the Russian Federation.

2. That the Ministry of Science and Technical Policy of the Russian Federation, the Ministry of Economics of the Russian Federation, and the Siberian Department of the Russian Academy of Sciences shall in conjunction with the Administration of Novosibirsk Oblast devise in the third quarter of 1995 a concept of the stimulation of demand for scientific and technological studies and the services of research organizations and, if necessary, submit proposals to the Government of the Russian Federation.

3. That the Ministry of Science and Technical Policy of the Russian Federation shall render the Administration of Novosibirsk Oblast assistance in the creation of a regional off-budget fund for science and technological development.

4. That the Ministry of Economics of the Russian Federation, the Ministry of Finance of the Russian Federation,

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and the Ministry of Fuel and Energy of the Russian Federation shall with the participation of the Rosugol state enterprise and the Russian Power Engineering and Electrification Stock Company determine sources of funding for work on the completion of the debugging and industrial commissioning of the Belovo-Novosibirsk coal pipeline and for research there into the further adaptation of the techniques of the preparation and shipment of water-coal [vodougolnoye] fuel.

5. That it be proposed that the Federal Energy Commission with the participation of interested organizations prepare in the first half of 1995 proposals concerning the creation of a zonal Siberian wholesale electric power market (capacity) and a zonal energy commission. That the corresponding proposals be submitted on matters requiring a decision of the Government of the Russian Federation.

6. Support for the proposal of the Administration of Novosibirsk Oblast concerning an experiment in the creation of the necessary conditions for the operation of diverse agro-industrial organizations based on the amalgamation of agricultural, processing, and maintenance enterprises in a single production complex, the reorganization of agricultural enterprises, and the development of interfarm cooperation.

That the Ministry of Agriculture and Food of the Russian Federation allocate Novosibirsk Oblast in 1995 some 12 billion rubles [R] for the performance of research, personnel training, and support for the newly created organizations in the agro- industrial sector from the funds specified by Article 17 of the federal law "On The Federal Budget for 1995" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII No. 14, 1995, item 1213) for agricultural production.

7. That the Ministry of Economics of the Russian Federation and the Ministry of Foreign Economic Relations of the Russian Federation render the Administration of Novosibirsk Oblast assistance in the attraction of the funds of international organizations for pre- design studies and the development of the business plans of investment projects of Novosibirsk Oblast and also of foreign investments for regional investment cooperation projects.

8. That the Ministry of the Russian Federation for Nationalities and Regional Policy, the Ministry of Economics of the Russian Federation, and the Ministry of Finance of the Russian Federation shall in conjunction with the Administration of Novosibirsk Oblast prepare a credit agreement with the World Bank for support of the social infrastructure of the oblast.

9. That the Ministry of Finance of the Russian Federation shall when preparing proposals concerning a revision of the proportions of the distribution of the Federal Fund for the Support of Components of the Russian Federation among the regions and also concerning a revision of the share of each component of the Russian Federation in the said fund in accordance with Article 30 of the federal law "On The Federal Budget for 1995" take account of the need for the equalization of the budget support for Novosibirsk Oblast in terms of the average budget support for the oblasts of Western Siberia.

10. That the Ministry of Economics of the Russian Federation, the State Committee of the Russian Federation for the Defense Branches of Industry, the Committee of the Russian Federation for Machine Building, the Administration of Novosibirsk Oblast, and the client departments shall in the latter half of 1995 conduct an expert evaluation of conversion programs and on the basis of its results undertake the funding of the programs whose completion is specified in the period 1994-1997 from resources of the federal budget and the oblast budget.

11. That the Ministry of Defense of the Russian Federation, Ministry of Finance of the Russian Federation, and the State Committee of the Russian Federation for the Defense Branches of Industry shall prior to 1 July 1995 clear the debts on the government defense order for 1994 (purchases of arms and military equipment and research and development) to enterprises and organizations of Novosibirsk Oblast within the limits of the sums allocated for the clearance of debts for 1994 in the federal budget for 1995.

12. The recommendation that the Rosvooruzheniye State Company consider the question of the creation of a regional office in the city of Novosibirsk for the purpose of assistance to enterprises of the oblast in the promotion of military products (jobs, services) for export.

13. That the State Committee of the Russian Federation for the Defense Branches of Industry in conjunction with the Ministry of Economics of the Russian Federation, the Ministry of Defense of the Russian Federation, the State Committee of the Russian Federation for the Administration of State Property, and other interested ministries and departments shall consider a list of federal state enterprises proposed for conversion into public enterprises on the territory of Novosibirsk Oblast for its presentation in the established procedure to the Government of the Russian Federation within the time frame determined by Decree 1399 of the Government of the Russian Federation of 19 December 1994 "On Measures To Stabilize the Economic Position of Enterprises and

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Organizations of the Defense Complex" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII No. 35, 1994, item 3707).

14. That the Ministry of Finance of the Russian Federation, the Ministry of Economics of the Russian Federation, and the State Tax Service of the Russian Federation with the participation of the State Committee of the Russian Federation for the Defense Branches of Industry shall consider the proposals of the Administration of Novosibirsk Oblast concerning the enterprises due for conversion being granted for 1995 a tax credit against a guarantee of the administration of the oblast.

15. That the Ministry of Economics of the Russian Federation and the Ministry of Finance of the Russian Federation shall fund in 1995 the allocated state centralized capital investments for the construction of a subway in the city of Novosibirsk amounting to R78.9 billion from the resources specified by Article 20 of the federal law "On The Federal Budget for 1995" for the subway.

16. Considering the specifics of the socio-demographic structure of the population of Novosibirsk and the urgency of the problems of social protection of vulnerable groups of the population, that the Ministry of Social Protection of the Population of the Russian Federation, the Ministry of Economics of the Russian Federation, and the Ministry of Finance of the Russian Federation shall following coordination with the Administration of Novosibirsk Oblast decide questions of funding for:

the construction and commissioning in 1995 of a residence center for handicapped children (within the framework of the special federal Handicapped Children program);

the construction of a center for the social rehabilitation of the elderly with the commissioning in 1996 of its first stage from resources of the federal budget.

17. The introduction on the territory of Novosibirsk Oblast with regard to its natural-climatic conditions as of 1 January 1996 an area coefficient to the wage of 1.2. That the Ministry of Finance of the Russian Federation shall determine the extent and the sources of financing of the expenditure connected with the introduction of the said coefficient.

That for the period of stabilization of the socioeconomic situation in the oblast, the Administration of Novosibirsk Oblast be accorded the right to increase in particular administrative formations the area coefficient disbursements by 50 percent with regard to society's living standard.

18. Acceptance of the proposal of the Administration of Novosibirsk Oblast agreed with the Ministry of Economics of the Russian Federation and the Ministry of Transport of the Russian Federation concerning the Administration of Novosibirsk Oblast being accorded government guarantees in order to obtain a loan of the European Bank for Reconstruction and Development amounting to $10 million for the development and reconstruction of the Tolmachevo International Airport in the city of Novosibirsk. That the Ministry of Economics of the Russian Federation and the Ministry of Finance of the Russian Federation shall sign with the Administration of Novosibirsk Oblast and the European Bank for Reconstruction and Development the documents necessary for the attraction of the said loan.

19. That the Ministry of the Russian Federation for Civil Defense, Emergencies, and the Elimination of the Consequences of Natural Disasters, the State Committee for Sanitary-Epidemiological Supervision of the Russian Federation, the Ministry of Health and Medical Industry of the Russian Federation, the Ministry of Environmental Protection and Natural Resources of the Russian Federation, the Federal Service of Russia for Hydrometeorology and Environmental Monitoring, the Ministry of Defense of the Russian Federation, and the Administration of Novosibirsk Oblast shall make provision for scientific research on the territory of Novosibirsk Oblast connected with determination of the influence of the nuclear testing over many years at the Semipalatinsk Range on the medical and demographic situation in the region and on the basis of their results devise a set of measures for an improvement in the health of the population and the socioeconomic development of the localities in the zone subjected to the influence of radiation. That the Ministry of the Russian Federation for Civil Defense, Emergencies, and the Elimination of the Consequences of Natural Disasters shall make provision in the plan of research work for 1995 for the said measures.

20. That the Ministry of Economics of the Russian Federation, the Ministry of Finance of the Russian Federation, and the Ministry of Health Care and Medical Industry of the Russian Federation shall when putting together the investment programs for 1996 consider the question of the construction in 1996 of a medical block of the oblast Oncology Dispensary in the city of Novosibirsk.

21. That the Committee of the Russian Federation for Land Resources and Land Use and the Administration of Novosibirsk Oblast shall within a month's time draft and confirm a special program to support the operation in the oblast of a unified system of a state land register and registration and legalization of rights to plots of land and the real estate firmly connected with them.

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22. That the Administration of Novosibirsk Oblast shall draw up and coordinate with the Federal Migration Service of Russia a program of the settlement and reconstitution in Novosibirsk Oblast of refugees and involuntary immigrants.

That the said regional program shall be financed from the funds allocated for realization of the Federal Migration Program.

23. That ministries and departments of the Russian Federation and the Administration of Novosibirsk Oblast shall report quarterly in 1995-1996 to the Ministry of Economics of the Russian Federation on the execution of the measures specified by this decree.

That the Ministry of Economics of the Russian Federation shall on the basis of the data received from the ministries and departments report to the Government of the Russian Federation on the progress of fulfillment of this decree within the specified time frame.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

News Conference on Work of German Consulate in Novosibirsk

954F2522A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 9 Jun 95 p 4

[Article by unidentified correspondent: "Will Siberian Might Accrue to Germany?"]

[FBIS Translated Text] A news conference devoted to the organization and work of the consulate general of Germany in our city was held last Friday in the oblast administration building.

The news conference was conducted by Ivan Indinok and Consul General Uwe Neubauer. Novosibirsk Oblast has long-standing and traditional ties with Germany and, therefore, the decision to open a German consulate general exactly in Novosibirsk was far from accidental. Last year the total volume of trade with Germany amounted to 70 million Deutsche mark, and this year this figure will be significantly greater. More than 30 Russian-German enterprises are operating in Novosibirsk Oblast, and a trade mission of our oblast has been opened in the City of Frankfurt. Ivan Indinok emphasized that not only economic ties are growing, but what is even more important, mutual trust.

As an example of this trust, he recounted the contract that was signed recently with one of the German pharmaceutical firms, according to which medicines will be delivered to our city for a grand total of R [ruble] 4 billion at plant-manufacturer prices and with a 60-day payment postponement. Active work is being conducted on other joint projects and, first and foremost, on the establishment of an international airport.

The consulate general of Germany appeared in Novosibirsk at the beginning of this year. A huge territory from Tyumen in the West to Ulan-Ude in the east falls in the consulate's jurisdiction. The consulate has not set itself up completely yet—there is no appropriate building. In Mr. Uwe Neubauer's opinion, a separate building in the center of the city is needed for these purposes; moreover, in a good location, but it is not that easy to find such a building in Novosibirsk. However, according to the words of the consul general, these problems will be resolved soon, and the consulate will be able to work at full strength.

Economic Issues

'Consumer Basket' Dollar Rate at 1,300 Rubles

MM1506102495 Moscow IZVESTIYA in Russian 15 Jun 95 p 1

[Unattributed report: "Dollar Equivalent to 1,300 Rubles"]

[FBIS Translated Text] The Russian ruble's purchasing power parity against the dollar on the basis of the cost of a consumer basket of 265 goods and services was 1:1,300 in the first quarter of 1995. This was stated by Sergey Aleksashenko, the former Russian Federation deputy finance minister who is now director of the Russian Union of Industrialists and Entrepreneurs' Expert Institute. According to him, the comparison was carried out using UN methodology, under which Austria is the comparison country for Russia. S. Aleksashenko believes that the "actual" dollar rate will fall in Russia over the next year or two, but "predictably and slowly," INTERFAX reports.

Minister Confident of Ruble Stability

MK1506095095 Moscow SEGODNYA in Russian 15 Jun 95 p 2

[Report by Natalya Olenich under the "Optimism" rubric: "Sergey Vasilyev Is Certain That Any 'Attacks on the Ruble Will Be Repelled.' It Appears That One Can Sow Well Without Subsidies Too"]

[FBIS Translated Text] Deputy Economy Minister Sergey Vasilyev, at a press conference held yesterday at the Working Center of Economic Reforms affiliated with the Russian Federation Government, reassured journalists that there can be no "second Black Tuesday" thanks to technical reasons, since the Central Bank has accumulated considerable hard currency reserves and presently has the possibility of further replenishing

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them." In his opinion, by August these reserves could account for 8 to 10 percent of the total money supply. Under such a situation, any "attacks on the ruble will be repelled."

According to the deputy minister, at present there is an "alternative between good and very good prospects." If the government continues its rigid fiscal policy, "victory over inflation is guaranteed." Taking into consideration the fact that this time the government "has managed even not to give the agrarians credit for the sowing campaign (and they have sown well, anyway)," Vasilyev expressed his confidence that the government will be able to pursue a consistent policy in the future too.

Paramonova Views 'Distancing' From Dollar

LD1506210395 Moscow ITAR-TASS in English 1926 GMT 15 Jun 95

[By Robert Serebrennikov]

[FBIS Transcribed Text] Moscow, June 15 (ITAR-TASS) — The rouble's incessant rise against the dollar lately is a real reflection of the processes which are taking place on the money markets and the national economy as a whole, acting governor of the Central Bank of Russia Tatyana Paramonova said in an interview with BIZNES-TASS today.

She said she regarded it as a progressive process: the country is distancing itself from the dollar, shifts are taking place in the economy and in the minds of bankers, industrialists and the population.

Along with this, Tatyana Paramonova refrained from predicting what is likely to happen to the rouble exchange rate against hard currency. "Everything will depend on how things will be in the economy. I personally am in favour of Russia having a strong national currency," she stressed.

Currency Situation, Customs Tariff Hikes Viewed

MK1506133095 Moscow MOSKOVSKAYA PRAVDA in Russian 15 Jun 95 pp 1, 2

[Report by T. Pomelova under the "Reform: Between Past and Future" rubric: "Do Not Rush to Change Dollars for Rubles, Advises Russian Federation Economy Minister Ye. Yasin"]

[FBIS Translated Excerpt] True, when talking about this, the minister stressed that his recommendations are of a purely lay character. On the whole, however, both the Central Bank and the government, understanding how unstable the current situation is, are trying to do their best to keep it in a state of relative stability. This in its turn will make the ruble more and more attractive. [passage omitted]

According to Ye. Yasin, the changes on the currency market (the rate of the dollar has fallen by 230 points from 5 May to 6 June) should on the whole be regarded as the first success story of the financial stabilization policy. True, while talking about this with pride, the minister admitted that he is concerned by, first, the slow reduction of prices; second, the negative consequences of the dollar's fall for Russian exporters; and third, the depreciation of cash dollar savings of private individuals, who have been storing hard currency as high liquidity securities. [passage omitted]

With respect to the import tariffs increase as of 1 July, it needs to be remembered that they have been raised by 2 percent on all types of goods and on foodstuffs by 4 percent. Yasin described this measure as absolutely warranted because it will help rectify the budget situation and, moreover, help support Russia's agriculture. What is the meaning of such assistance to the inefficient agricultural sector?

"We are not talking about stimulation. It is important to keep agricultural production afloat for a while longer," the minister said frankly. "Especially considering that there will be no increase in direct subsidies to the agricultural sector, but something has to be done for them anyway...."

In other words, put simply, the government is not concerned, as it were, about raising the efficiency of the sector, which has proved to be nonviable: It is only concerned about prolonging its agony. Maybe protectionism, five years overdue, will after all provide the requisite impetus to the Russian countryside? It probably will. And this impetus will manifest itself in yet another upsurge of prices for food staples. [passage omitted]

The position by the Moscow city government and its forecasts whereby food prices will grow between 40 and 80 percent were said to be basically wrong. True, Yasin noted that he regards the capital mayor's special position "not as malign intent but merely as the reflection of a normal clash of interests." But on the whole the Economy Ministry's stand is unequivocal: The raising of customs tariffs on imported foodstuffs will not lead to a substantial decline in food imports but will only prevent its sharp growth. Moreover, consumers will "not even notice" any price fluctuations because "only importers will have to sacrifice a share of their revenues."

What can be said about these statements? It is even a little embarrassing to say that no importers will agree to sacrifice a share of their own earnings for our sake. They will definitely compensate all their losses — from buyers' pockets. And they will be absolutely right:

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What entrepreneur will work to his own detriment? Meanwhile the domestic agricultural producer, who has suddenly become a subject of special government care, will immediately "adjust" his own prices to the level of "import" prices. [passage omitted]

Inflationary Pressures on Economy Outlined

MM1506161395 Moscow IZVESTIYA (Financial IZVESTIYA section) in Russian 15 Jun 95 pp i-ii

[Article by Lev Makarevich, "expert" with the Association of Russian Banks: "Banks Alarmed by Authorities' Inflationary Policy"]

[FBIS Translated Text] The amount of rubles being pumped into the Russian economy is getting bigger and bigger. Although the Central Bank (and this is a very bad symptom) is careful to keep secret any information on the M2 aggregate (total money supply) and the relationship between M0 (cash) and M2, the increase can be determined indirectly.

If the report about the rise in Central Bank foreign reserves (from almost zero, it was reported, in January to $9 billion in June) is true, this means that the Central Bank has effectively issued another 45 trillion rubles [R] to buy hard currency. In the opinion of experts, M2 rose by 25 percent in April alone. Around half of that sum was accounted for by increases in pensions, benefits, and wages in the run-up to the holiday. The rest is accounted for by hard currency bought for rubles by the banks, which have been forced to boost their reserves held at the Central Bank.

The fact that a considerable proportion of the money supply is directly controlled by the Central Bank (the Central Bank's own foreign reserves and the banks' ruble reserves) has done nothing to support production or to actually control the crisis. On the contrary, the economy has responded with new price surges to all the maneuvers to manipulate rates and introduce compulsory deductions. The increasing gap between consumer price growth (154 percent in January-April), wholesale prices in industry (180 percent), and prices for resources acquired in industry (200 percent) confirms that inflation expectations are holding steady.

The most alarming fact is that prices have virtually spun out of control in basic sectors (whipping up inflation in all other sectors). Thus, these producers are trying to retrieve in the domestic market the profits that the Central Bank has taken from them in the foreign market.

In the first four months of 1995, the prices of energy sources leaped by 202 percent. The cost of gas production increased by 42 percent in April alone, while oil and refinery products recorded a 17-percent increase. Power and fuel increased in price by another 20 percent in May. There is a similar picture with the production of ferrous and nonferrous metals and in the forestry, petrochemical, and other sectors. Rates for housing and municipal services (up to 11 percent), communications services (24 percent), and transportation (13-36 percent) also increased.

Inflation is also being stoked by the colossal underfinancing of the economy. The share of state capital investment in first-quarter budget expenditure was just 5.2 percent (as against 7.3 percent in 1994 and 11.8 percent in 1993). Of the planned investment of R4.3 trillion in January-March only R2.1 trillion was spent — which is one of the biggest failures in executing the federal budget.

Total capital investment is less than a quarter of the 1989 level. It would have been even lower had it not been for the commercial banks. Despite the low profitability and, sometimes, unprofitability of long-term investment, the banks have allocated R4.2 trillion for this purpose (as of 1 March 1995). A considerable proportion of this sum has been spent on housing construction, which, thanks to the banks, increased by 10 percent in the first quarter (compared with the same period in 1994), while private housing construction was up 44 percent — supporting the construction sector to a considerable extent. It is easy to imagine the kind of blow to the banks' investment program administered by the new capital adequacy requirements, or by the plan to increase the VAT payable on construction work as part of the same "stabilization" policy.

Enterprises' investment sources are hardly likely to be expanded by the latest revaluation of fixed capital and the accelerated writing off of production capital. In 1995 depreciation payments, the government estimates, will come to R165 trillion. Of these, the White House hopes, R101.6 trillion or 53.5 percent of total investment (as against R49.2 trillion or 46.3 percent in 1994) will be used for capital investment. It seems, however, that these plans may not come to fruition, since virtually all enterprises experiencing an acute payments crisis and a shortage of working capital have been forced to spend their depreciation payments on current consumption.

Defaulting, which has become a real national disaster for Russia, is yet another strong additional price accelerator. Some impression of its potential can be gleaned from the following figures: As of 1 March 1995 the total debts of industrial, transportation, and construction enterprises stood at R275.5 trillion, nearing first-quarter GDP dimensions (R279 trillion). Deferred debt stood at R116.1 trillion (or 45.5 percent of overall debt), a 10.4-percent increase over the quarter. This figure is growing

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even faster in the banking system — by 34.8 percent, or R35 trillion (as of 1 March 1995). Total defaulting in this sphere stands at R158.4 trillion. The tightening up of currency and reserve policy has made its own negative contribution in this area, leaving many banks insolvent.

Growing cost-push inflation, underfinancing, and the rise of mutual debts have accelerated the recession (particularly since February) in sectors working above all for the domestic market. This has led (adjusted by the current deflator) to a fall rather than a rise — as top official are claiming — in real GDP, which is 70 percent of the planned level.

In the first five months of the year the slump in machine building was 12 percent, and the decline in the production of mass consumer goods was up to 30-40 percent. These production facilities will continue to recoup their losses by putting their prices up, making their products even less competitive against imports, which are only stimulated by ruble stabilization. The raising of duties from 8 percent to 26 percent taking account of VAT and other "overheads" will trigger a new price surge — of 70-100 percent. This will do little to protect Russian food producers, for instance. According to the results of the recent wholesale fairs in Moscow, the regions, even on the basis of their own prices, are capable of supplying the capital with just 12 percent of the vegetable oil, 25 percent of the meat, and 50 percent of the sugar it needs.

A similar situation effectively afflicts every large city. The average 10-percent hike in import duties in 1994 has merely led to a 30-percent reduction in livestock herds, since the increase was not accompanied by any measures to stimulate production.

All this creates a very explosive situation in the monetary and credit sphere. The government is not remedying but merely exacerbating the structural imbalances in the Russian economy. It is putting itself in a position where it will be forced (perhaps before the fall) to turn on the financial faucet if the economy is not to go sky-high.

Economy Minister on Private Investments

MK1606061095 Moscow DELOVOY MIR in Russian 12-18 Jun 95 p 31

[Speech by Economy Minister Yevgeniy Yasin at international conference "Russian Enterprises in Search of Investments," in Moscow, date not given: "Private Investors Will Be Encouraged" — followed by interview with unidentified correspondent]

[FBIS Translated Excerpt] The peculiarity of the present time is that the investments that used to correspond to the former economic mode are dying away, and new ones, corresponding to the new mode, are emerging. I mean the transition from large-scale but, for the most part, ineffective capital investments on the part of the state toward investment support for highly effective projects by attracting non-state investment resources — both domestic and foreign.

Correspondingly, our task is to encourage this process, and the state is ready to embark on direct stimulation of investments. We are and will be increasingly moving away from the practice of budgetary financing, retaining it only in those areas where it is impossible to do without it — the social sphere, development of infrastructure, and support for some long-term branches.

The share of state investments has been significantly reduced in the budget for this year as compared with the previous one. At the same time, a rather large sum — approximately 1.5 trillion rubles — has been allotted to support private investments. This is done on the basis of the presidential edict envisioning that the state will contribute 20 percent of the required amounts, under the condition that private investors find the remaining 80 percent.

The government is pursuing a very favorable policy with respect to foreign investors, too. Earlier, this issue was given much less attention, since conditions for that were unsuitable. Today, the situation has changed. Since the middle of 1994, the policy with respect to foreign investments has been altered considerably. I would like to draw your attention also to the fact that the Council on Foreign Investments has been created, which includes 22 large multinational corporations, and the number of corporations wishing to participate in this Council is ever growing. Council members, to our mind, perform very useful work, including the elaboration of recommendations for the government — and the government is indeed following these recommendations. We believe that the cooperation in its present form is useful and efficient. A number of decisions have already been made. Some presidential edicts and governmental decisions on exempting capital and resources invested in the authorized funds of foreign companies and joint ventures from taxes, and on exempting equipment and raw and other materials imported to Russia from taxes and duties can serve as examples. I would also like to mention the presidential edict on privileges as regards customs duties to large foreign investors for import and export of their products.

At present, based on that edict, several agreements with the Mars and United Technologies companies are being prepared, dealing with the aviation industry. We believe that at least in the course of the next three years, state

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investment policy will be oriented toward the private sector. Portfolio investments and securities market are to play a great role in this respect.

I would also like to draw your attention to the fact that, whereas traditionally a crisis is followed by production revival and growth of investments, in Russia, by our assessments, this will hardly be the case, since alongside with creating some new facilities there is the problem of helping those that stand idle. I doubt that the latter can be efficiently used under the present situation, although the parliament is still urging the state to raise its financial support for them. In fact, this means a further inflationary pumping of the economy at the expense of printing new money. Under such conditions, there can be no question of attaining financial stabilization and curbing inflation. We have departed from such a practice, and we do not intend to resume it. Today, we are switching over to the second stage of the reforms, where the dominant role will be played by the investment process which I have already mentioned.

One has to admit that the transition to the new mode of investments is slow, and, although we are doing our best to accelerate this process, it will gain full strength only after inflation has been curbed, prices and currency rates have been stabilized, investments risks have been diminished, crime has been stemmed, and an effective infrastructure of the securities market has been created. The government is also fully aware of the fact that the process of transforming internal accumulation into investments will require a certain time — even if it is encouraged by the state. As you see, we are confronted here with a combination of quite contradictory factors. The specific weight of each of them is and will be constantly changing. We try to control them and we shall do our best to speed up the investment process because there is nothing Russia needs more than a flow of investments. [end of speech]

Yevgeniy Yasin was asked several additional questions. Answers to some of them might be of interest to our readers. [passage omitted]

[Question] Unfortunately, we are not using money allotted to us by European banks. Our image in the foreign market is also bad now. Could you tell us what efforts are the government making to use these funds?

[Yasin] Your remark is quite correct. The situation with the majority of loans is utterly unsatisfactory. At present, measures are taken to improve it. We are creating the Federal Center for Project Financing, which will supervise all of the international financial agencies' projects. True, there are some difficulties in the implementation of these projects — as always, we are lagging behind in regards to organizational matters. The resources allotted are distributed according to tenders. And these tenders must be won by Russian enterprises, otherwise everything will go abroad again. It turned out that Russian enterprises are ill-prepared for this yet, although several seminars have already been held. The quality of work needs to be improved.

[Question] What about the debts of third countries to Russia?

[Yasin] The issue of debts is a rather complicated one, since they are of different kinds. Certainly, Russian companies will be given the possibility to work with these debts. I must also say that negotiations with the Paris Club are under way now, so that Russia should be recognized as a country-creditor and admitted to the Paris Club. As for the way in which Russian companies will participate in the work with foreign debts, this question is still open. I can only say that there have already been such cases, and there will be more of them.

Council Approves Law on Restructuring Debts

LD1506171895 Moscow ITAR-TASS in English 1602 GMT 15 Jun 95

[By Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow, June 15 (ITAR-TASS) — The law on restructuring debts on state credits granted by the Russian Federation, which was approved today by the Federation Council, will allow to ensure the Federal Assembly's control over the return of budget funds extended by Russia in the form of credits to foreign states. The word "restructuring" is adopted in the world practice when changing terms of redeeming debts on credit markets.

According to information from the Federation Council committees on budget and the Commonwealth countries, as of May 1, 1995 the total indebtedness on state credits and paying interest on them by foreign states to Russia, including indebtedness to the former Soviet Union, amounts to about $160 billion, including that by the Commonwealth countries — $5.7 billion.

The Russian government, deputies note, has been carrying out permanent work with states-debtors on restructuring their indebtedness. However, there are cases when the government amends the approved federal budget without agreeing on with the parliament.

As an example, deputies referred to the agreement of March 20 between the governments of Russia and Ukraine on restructuring Ukraine's debt on Russian credits. Such facts impede the implementation of a number Russia's obligations on extending credits to other Commonwealth countries.

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Parliamentarians hope that the adoption of the new law will streamline these financial matters connected with providing credits to foreign states.

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International Affairs

Kuchma 1 Jun EU Brussels Activities Viewed

WS1506124395 Kiev MOLOD UKRAYINY in Ukrainian 6 Jun 95 pp 1,2

[Article by correspondent Volodymyr Bodenchuk: "We Will Be in Europe On Condition That We Free Ourselves From Asia's Embrace"]

[FBIS Translated Excerpt] Before 1300 Brussels time [on 1 June], everything was in compliance with ordinary diplomatic protocol, but it was not at all clear how things things had developed. Virtuosos of political games could discuss both life and death issues with the same unemotional expression on their faces — pompousness, officialese, and preciseness. I, however — after 1300 — understood that the Ukrainian president's visit to Brussels, the capital of united Europe, had every prospect of success, although a good half of the program was still ahead of us. This was noted after European Commission Chairman Jacques Santer, who was a speaker at his own and L.D. Kuchma's joint news conference, sort of pretentiously apologized to us with regard to the fact that the Ukrainian language had not yet become a EU official language and advised us to put on earphones and listen to the synchronized translation.

Our president reacted to this statement instantaneously: "Let us not hurry. Things will fall in place with time...." A wave of dynamic understanding, support, and sympathy — how to describe it without using the "unilateral approval" — rolled across the assembly hall. If it happened with Leonid Brezhnev [former CPSU general secretary] 15 years ago, you can be sure the name of the scriptwriter would have become no less famous than the name of the real author of the "Small Land" novel [a book allegedly written by Brezhnev]. Applause, however, subsided and well, really, the question of a "Voice of America" correspondent followed: "Could it not happen that Russia perceives painfully the signing of an official agreement with the EU?"

I saw how V.P. Horbulin, secretary of the National Security Council subordinated to the president, grimaced: The subject is too sticky, because who does not know that there is no greater disaster than an evil neighbor irrespective of where he lives—he emits harmful waves. Given the current situation, the neighbor is not ordinary—it is Russia. Kuchma's response, however, does not trigger doubts: "If you constantly view Ukraine from the background of Russia, nothing will come of it. Let us consider things from the viewpoint of Europe and of the entire world. The world has an interest in having a stable state in the center of Europe. This state is Ukraine. Everyone also wants to have a stable Russia. Let us move along this path."

A few words more about the movement toward the EU. Leonid Kuchma repeated in Brussels several times that the EU and Ukraine met one another halfway on 1 June. When someone asked whether it is possible to believe that the bars that recently separated states had been removed, Leonid Danylovych made a shrewd remark: (I purposefully cite his exact words) "Border poles have been installed, but by different means compared with other means." I do not know what you think of this, but I — for some reason or other — thought immediately of this recent show at the Russian-Belarusian border. Perhaps this does not refer to our issue, but the show was in our same Europe, and it is good that our president correctly caught the Asian nature of this show.

Let us, however, return to Brussels. The temporary agreement signed there makes it possible to promptly activate trade relations between Ukraine and the EU and to not wait for the end of a lengthy process of ratifying last year's agreement on partnership and cooperation. I was lucky enough to be a witness to how this agreement was concluded in the EU headquarters in Luxembourg. I must say that leaders of the European Community — both at the time and now — treated L.M. Kravchuk and L.D. Kuchma with great respect, because they realized that what Ukraine chooses as its path and what neighbor they have depends on none other than these two people. To support Kravchuk in last year's June elections, the EU even accelerated the signing of an agreement with Ukraine, something Russia was not delighted with—it was two weeks behind on the issue. As regards our temporary agreement with the EU, we have left Russia behind. The delay of Russia's temporary agreement for a month has a clear-cut explanation: the human rights issue, in short, Chechnya. Of course, the matter is not one of hours and weeks, but I would like to again cite the document: "Ukraine is one of the key priorities for the EU." These words were uttered by Jacques Santer. He, like President Kuchma, is new to his position, but it is extremely good that both leaders are consistently continuing the work began by their predecessors.

After all, what did we win in Brussels?

First of all, and I will repeat myself, we are trading without waiting for the ratification of the agreement, because we have most-favored-nation status in trade with the EU; Ukraine's industrial output can be exported without any restrictions. Second, the European market has increased quotas on our steel and textiles; the EU anti-dumping policy in relation to Ukraine has become less restrictive. There are also some positive changes for agricultural products, but they are viewed through the magnifying glass of the Chernobyl catastrophe. The protection of intellectual property of both sides is envisaged. Finally, our diplomats have managed to

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agree on social protection — pensions and sick pay — for Ukrainians who work on a contract basis in the EU member-states. Viktor Ivanovych Mashtabey, who told me about this, was very afraid to endanger the success of this agreement, because other draft agreements between the EU and the other new independent states contain no clauses on social protection issues. I refer, first of all, to Russia; no matter how one measures this country, it has more than 52 million people. At the same time, our neighbors are jealous: Ukraine can do this, so why not us? In a word, the situation is clear. Therefore, Mashtabey, one of the generators of Ukrainian-European cooperation — if it is possible to say this about people — was concerned about the situation. I have known him since the Luxembourg meeting and I am again satisfied that good deeds are based — after all — not on the "political situation," but on smart politicians.

Viktor Ivanovych, almost alone, is in charge of economic relations in our Brussels embassy. In comparison, there are 16 similar Russian experts — according to their positions, but, of course, not acocrding to their qualifications — in Brussels. Our neighbors realize how important it is for a country to retain a good diplomat so that he will not engage in, for example, private business or business for a limited group of people, but could earn money on a normal basis, by handling national issues. Such expenditures will be generously repaid, but to achieve this, it is necessary to understand the situation. Our people's deputies, however, do not understand the situation: What is tomorrow's benefit in comparison with today's? That is just the trouble. [passage omitted]

Masterfully, President Kuchma also avoided commenting on Russia's activities in relation to NATO, relations which have expanded recently. Kuchma said that we welcome Russia's joining the "Partnership for Peace" program; this is one more step toward joint security.

NATO declares that "security is indivisible. Armed aggression against a NATO member-state is regarded as aggression against all of its members."

"This is so," said someone, "but this does not prevent Greece and Turkey from arguing under the common NATO roof."

We always look for the worst examples for one reason or another....

My impressions from Brussels would be far from complete if I did not say that the visit took place on the first summer day, when the Supreme Council attempted to torpedo the vote of confidence in the president and parliament. Of course, we were in steady contact with Kiev and knew immediately about every more or less significant event taking place in the session hall.

It is about something more than just the Law on Power, Leonid Kuchma declared on the eve of his departure from Kiev. It is about a path that we will choose to proceed on: Will we carry out political and economic reforms or continue to build socialism, as we have until now? Because right now, virtually all reforms have been blocked, including privatization and the destatization of land. As long as the parliament exists, I am ready for cooperation with it — if only there was someone to cooperate with. Deep in my heart, however, I have made a final decision: I will have it the people's way. If the president loses, you assume the entire responsibility and rule. Who can deny the president the right to consult with the people who elected him? The Council of Regions made a unanimous decision in favor of staging the poll. As for the funds required to do that, let us count when we can save more — when the reforms get under way, or when we just keep marking time...

I believed it was a good thing that we did not bring up our domestic issues in Brussels; otherwise, the Europeans would not have understood us. They were surprised enough, watching us frenetically calling Kiev. It would be only too natural to ask the question: What do you guys want, anyway — to get integrated with Europe or build a paradise on the one-sixth part of the globe? Our polite guests did not ask this question. But we still felt ashamed. Leonid Kuchma firmly stated that Ukraine does not need to look for a place in the world. It has already been clearly determined geographically — in the center of Europe! But when you think about the Asian influence that stands on our way to a normal civilized life, which the entire civilized world lives, this notion becomes less geographic — after all, Japan is not beyond Greenwich, either. Our stupidity and stubbornness keep us in a lock. And the desire to have everything and now; the Bolshevik nature of our society, whose will to own and create has been killed over decades; the barbarian perception that power is the best when one is a chief; the blind revanchsim, thick ignorance, and unwillingness to learn even most basic lessons of life; the slaver mentality — they turned off the tap, and we are waiting when they turn it on; the meaningless talk over four years about some $12 million required to ensure home-made paper for the national newspapers, while doing nothing for all this time and just paying twice as high prices for the Russian gas as the international ones; the absence of basic patriotism, let alone national awareness, and passive adaptation to any conditions, provided they will not be worse than before. This all comprises the notion of the Asian

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influence, and this is exactly what we have to eradicate in ourselves to become Europeans.

Indeed, we are in the geographic center of Europe. Its political, scientific, cultural centers admit this readily and with understanding, and are reaching out their hand of help to us. Will we be able to use it to break from the strong embrace of the past and the deadly atrophy that affects the living?

These are the sad thoughts with which we were returning from Brussels.

Slovak Prime Minister Meciar Arrives in Kiev

Meciar Meets Kuchma

LD1406191895 Kiev UNIAN in Ukrainian 1200 GMT 14 Jun 95

[FBIS Translated Text] Kiev — An unregulated system of payments and an imperfect treaty and legal base are the main obstacles standing in the way of trade and economic relations between Ukraine and Slovakia, Slovak Prime Minister Vladimir Meciar said upon his arrival at Borispol Airport in Kiev on 14 June. He also noted that there are no political problems between the two states.

The head of the Slovak Government said that the main aim of his visit is to renew contacts and search for new ways of developing bilateral cooperation. In his words, Slovakia is interested in the Ukrainian market.

On the same day there was a meeting between Vladimir Meciar and Ukrainian President Leonid Kuchma.

According to the program of the visit, it is expected that Vladimir Meciar will meet Ukrainian Prime Minister Yevhen Marchuk on 14 June and take part in the solemn opening of a brewery.

Cooperation Discussed With Deputy Speaker

LD1506170895 Kiev UNIAN in Ukrainian 0940 GMT 15 Jun 95

[FBIS Translated Text] Kiev — In order to join international organizations, which is what Ukraine aspires to, it is necessary to have good political and economic relations with one's neighbors, Oleh Dyomin, the deputy chairman of the Supreme Council, stressed during a meeting with Slovakia's Prime Minister Vladimir Meciar today. He said that the Ukrainian Supreme Council was interested in economic reform legislation in Slovakia. For this reason, future visits to Kiev by parliamentary delegations and the chairmen of Slovakia's National Council, and also interparliamentary Ukrainian-Slovak groups that have been set up, will promote the study of this experience.

According to Vladimir Meciar, Ukraine and Slovakia are experiencing similar difficulties, particularly, as far as declines in production were concerned. He said that machine-building, transport, the processing industry, as well as the formation and development of the banking system were promising sectors.

Cooperation Agreements Signed

LD1506182195 Kiev UNIAN in Ukrainian 1230 GMT 15 Jun 95

[FBIS Translated Text] Kiev — Yevhen Marchuk and Vladimir Meciar, prime ministers of Ukraine and Slovakia, have agreed to expand cooperation between the two countries in a joint statement signed at Mariyinskyy Palace in Kiev today .

The two countries' official delegations also signed intergovernmental agreements on border checkpoints, border-crossing, international highway connections, general principles and terms of cooperation in the transport sphere, and cooperation between the Ukrainian Ministry of Foreign Economic Relations and the Slovak Ministry of Economy, and between the Ukrainian Ministry of Communications and the Slovak Ministry of Transport, Communications, and Public Works.

"This marks a new stage in the economic cooperation and the political and humanitarian relations between Ukraine and Slovakia," Marchuk told a news conference concluding the Slovak government delegation's official visit to Ukraine.

The Ukrainian prime minister said the sides had agreed on Ukraine's participation in the construction of a global trans-European highway, and cooperation between the Krivoy Rog ore-dressing combine and the Kosice metallurgical combine.

Meciar told journalists that Ukraine and Slovakia have a considerable potential for economic cooperation. There are plans to sign a joint agreement between the two countries' Central Banks in autumn that envisages the establishment of a Ukrainian-Slovak bank.

The two prime ministers said Ukraine and Slovakia will continue to cooperate in the so-called Ukraine-Turkmenistan-Slovakia triangle and the Turkmenistan-Russia-Ukraine-Slovakia quadrangle.

Chairman Moroz Meets Foreign Envoys

Romanian Envoy Meets Moroz

LD1506111195 Kiev UNIAN in Ukrainian 1430 GMT 14 Jun 95

[FBIS Translated Text] Kiev — Ion Bistreanu, Romania's ambassador to Ukraine, has spoken in favor of the

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expediency of trilateral cooperation among Ukraine, Romania, and Moldova. He expressed this view at a meeting with Ukraine's Supreme Council Chairman Oleksandr Moroz on 14 June.

Bistreanu said the negotiations between Foreign Ministry representatives on a treaty on good-neighborly relations, which are under way in Bucharest, "are being held in a businesslike manner, despite certain differences."

The Romanian ambassador believes it would be expedient to supplement the treaty with a provision on cooperation between members of parliament of the two states. He also spoke in favor of renewing cooperation and exchange of parliamentary commissions.

Bistreanu confirmed the invitation passed earlier to Oleksandr Moroz to visit his country in the near future. Moroz said he will be able to do this either in late 1995 or in early 1996.

The chairman of Ukraine's Supreme Council emphasized that inasmuch as Ukraine, Romania, and Moldova are the countries of the Black Sea basin, cooperation among all the countries of the Black Sea basin would be desirable to achieve the demilitarization and ecological safety of the basin.

Replying to a question from the ambassador on the Sochi agreement, Moroz said experts did not define the status of the document — whether it will be a treaty or a memorandum. He also believes that the Black Sea Fleet infrastructure and ships were divided on a fair basis. Moroz also said that Sevastopol will not be a Black Sea Fleet base. The Black Sea Fleet base will be located in Sevastopol.

Moroz Meets PRC Envoy

LD1506164595 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 15 Jun 95

[FBIS Translated Text] The development of trade and economic relations between Ukraine and China is consistent and there are grounds for viewing them as special partnership relations. This was the result of a meeting between Oleksandr Moroz, the chairman of the Ukrainian Supreme Council, and Chinese Ambassador to Ukraine Pan Zhanlin, which took place in Kiev on Wednesday. In the view of Oleksandr Moroz, this has been achieved by the harmonization of Ukrainian and Chinese legislation, political treaties signed between the two countries, and trade and economic agreements.

Spanish Envoy Presents Agreement

LD1506192995 Kiev UNIAN in Ukrainian 1445 GMT 15 Jun 95

[FBIS Translated Text] Kiev — The parliament of Spain has ratified the agreement on partnership and cooperation between Ukraine and the European Union. Ambassador Extraordinary and Plenipotentiary of Spain to Ukraine Eduardo Junco presented the official confirmation document to Oleh Dyomin, deputy chairman of the Ukrainian Supreme Council, today. The ambassador described the ratification as the "best evidence of Spain's interest in developments in Ukraine."

Spain, which takes over the Presidency of the EU Council as of 1 July 1995, hopes to assist the development of parliamentary links between Ukraine and the EU member states, the ambassador said.

The Ukrainian deputy speaker welcomed Junco's proposal to organize a meeting between the Supreme Council leadership and EU ambassadors accredited in Kiev. Dyomin reflected on Ukraine's political stability which, in his opinion, put the country in a position to join international organizations.

National Affairs

Kuchma Attends Meetings in Dnepropetrovsk

LD1506210295 Kiev UNIAN in Ukrainian 1800 GMT 15 Jun 95

[FBIS Translated Text] Dnepropetrovsk — Ukrainian President Leonid Kuchma was in the Dnepropetrovsk Region today where he attended a Ministry of Industry of Ukraine on-site meeting and visited the Southern Machine-Building production association, UNIAN has learned from the press service of the Regional Council.

A conference at Southern Machine-Building looked at the complex conditions of work by the defense industry in the process of conversion. Attended by the Ukrainian president, the conference pointed out that large enterprises such as this required state support. At present Southern Machine-Building is the region's worst gas debtor.

In Dneprodzerzhinsk where the president went next, representatives of over 20 regional ministries took part in another meeting by the Industry Ministry at the Dnepr Dzerzhinskiy metallurgical combine.

The president of Ukraine will arrive in Crimea tomorrow to attend celebrations marking the 70th anniversary of Artek [Soviet-era recreational facility].

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Kuchma Adviser's Visit to Donetsk Questioned

WS1506121495 Donetsk DONETSKIY KRYAZH in Russian 26 May-1 Jun 95 p 1

[Report by Mykola Turkin: "In the Luggage of an Adviser — Solid Mist"]

[FBIS Translated Text] Volodymyr Hrynyov, regional policy adviser to Ukrainian President Leonid Kuchma, chose a peculiar way of demonstrating his respect for the managers of the coal mining industry, while visiting Donbass. Mining "generals" who arrived in the Ministry of Coal Mining office at exactly the appointed time, had to wait 30 minutes for the dignified state official to arrive.

Hrynyov did not bother to provide any explanations or apologies; instead, he took his seat at the presidium table, the same one where Mikhail Gorbachev used to sit during his visits to Donetsk. Speaking in the well-trained voice of an orator, Hrynyov immediately started to explain to the coal mining managers why economic life in Ukraine is in a downward spiral. It turned out that the principal reason lies in the absence — under the current market conditions— of a rigid executive hierarchy subordinated to the president. He pointed out that at present, despite the fact that the Law on Power had been passed, this hierarchy "is not serious and simply does not function." In other words, the guest from Kiev encouraged the audience to transfer the plenitude of power to the president, who has issued 26 laws during his presidency but has never been able to make them work.

Speaking about the problems of the coal mining industry (after admitting that he was not an expert in that sector) Volodymyr Hrynyov expressed "fresh" ideas about closing down unprofitable mines and directing the freed funds toward constructing new low- depth [neglubokiye] coal mining enterprises, introducing new technologies for burning low-calorie coal, and producing synthetic fuel.

Probably due to the lack of expertise, Hrynyov never mentioned one thing: The state would have to spend tremendous funds on closing down the mines (according to the most modest estimates, around 3 trillion karbovantsi for mothballing one mine). Perhaps, this money could be used for the development of the mines? When the managers raised this issue, Hrynyov answered without hesitation that he does not know where to get the money, but the mines will have to be closed anyway, given that this is one of the tasks on the list of national priorities. The miners are still racking their brains over the expediency of meeting the presidential adviser — the leader of the Interregional Bloc of Reforms established to serve the president. Aside from verbal mist, Hrynyov did not bring anything in his luggage. He was probably trying to probe the sentiments of the residents of Donbass on the eve of upcoming electoral races.

Navy Chief: Impossible to Move Naval HQ

LD1506122695 Kiev UNIAN in Ukrainian 1715 GMT 14 Jun 95

[FBIS Translated Text] Sevastopol — It is impossible now to redeploy the headquarters of Ukraine's naval forces from Sevastopol to Kiev, said Vice Admiral Volodymyr Bezkorovaynyy, commander of Ukraine's Naval Forces, in an interview with UNIAN today commenting on statements by Ukrainian officials on the expediency of redeploying the headquarters of Ukraine's navy to Kiev "with the aim of exercising operational command of the Ukrainian fleet."

Bezkorovaynyy believes that "this is a political issue rather than a military and technical one, and it is difficult to give a unequivocal answer to it."

Bezkorovaynyy believes that the proposal should be studied additionally, taking into account the political situation in Crimea and the complex of social problems.

The commander of Ukraine's Naval Forces also said that the sides have not yet abandoned their previous stands on the issue of headquarters bases and that the negotiations will soon be continued.

Kiev Ready To Help Establish Ukrainian Navy

LD1506173495 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 15 Jun 95

[FBIS Translated Text] Kiev intends to render assistance in establishing the Ukrainian Navy. Leonid Kosakivskyy, the chairman of the Kiev City Council, said this to journalists on Wednesday. According to him, a specific agreement would be signed within two weeks on cooperation between Kiev and Sevastopol for 1995. Among the possible areas of cooperation, Mr. Kosakivskyy described assistance in resolving Sevastopol's and the Ukrainian Navy's social and domestic problems and also stressed the enormous significance of moral help which the capital could offer to Ukrainian sailors. The chairman of the Kiev City Council considers that if we want to have our own naval forces, then we must involve everyone: the state, regions, and towns.

Interior Minister Briefs Media on Situation

WS1506141095 Kiev KIYEVSKIYE VEDOMOSTI in Russian 9 Jun 95 p 17

[Report on interview with Interior Minister Volodymyr Radchenko by Oleksandr Ilchenko and Oleksandr Ko-

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rchynskyy: "Volodymyr Radchenko Against a Background of Police Problems and the President's Portrait;"on 7 June in the minister's office in Kiev]

[FBIS Translated Excerpt] **A portrait of Ukrainian President Leonid Kuchma hangs behind Volodymyr Radchenko's back. Volodymyr Ivanovych says with a smile that gossip exists which says that those who possess such a portrait will become members of the new Cabinet of Ministers; those who do not — unfortunately.... He seriously adds, rejecting further questions concerning this issue, that so far he does not know anything about plans for him to become a member of the government that is being established.**

Such was the beginning of a discussion between General Colonel Radchenko and representatives of the capital's most powerful media, held the day before yesterday. The minister deemed the situation in combating crime difficult. He underlined, however, that simultaneously with the increase in the number of offenses, the number of investigated crimes is also increasing, despite the fact that the police are as usual short of people, equipment, and funds....

The general did not try to hide the fact that along with enthusiasts and professionals, bribe-takers and accidental people work within the structures of the Ministry of Internal Affairs. We are getting rid of them. From among more than 9,000 employees dismissed in the first five months of 1995, around 3,000 were disciplined by stripping them of their rank. Around 154 people were convicted, seven of them for murder, and 19 for bribery.... And there is the issue of bringing up on charges two chiefs of fire inspectorates. For instance, one of them was using firemen for quite a peculiar purpose: constructing his own house.

Volodymyr Radchenko pointed out: "A session of the board of the Ministry of Internal Affairs is being held in this building at the moment. Around 18 chiefs of oblast departments of internal affairs have been invited to take part. Five of them will have a tough time there."

Naturally, journalists asked questions at the meeting. It would be impossible to render all of the journalists' questions, as well as all of the minister's answers. Therefore, we publish only some of the more interesting ones. [passage omitted]

About Losses in the Line of Duty

The world of crime is becoming more ruthless. However, people in uniform perform their duties, literally risking their lives and health every day. It is very sad to talk about this, but in the first five months of 1995 some 20 police officers were killed and 133 wounded in the line of duty.

About the Special Task Force for Fighting Terrorism

In the structures of the Ministry of Internal Affairs a new special task force, similar to the U.S. "Delta Force," will soon appear to fight terrorism. Around 100 people have already been taken on. They are splendidly trained, able to function instantly, able to act in cold blood, and to think clearly in extreme situations. Incidentally, selection of candidates is very scrupulous; therefore this is an extended process. The truth is that the equipment is not good. Recently, we have been testing bullet-proof vests — they can stand criticism. The minister promised the journalists a familiarization trip to see the unit in action. The proposal was accepted with enthusiasm. We no longer have to admire the virtues of antiterrorist forces only in U.S. action movies.

About a State of Emergency

The minister has never suggested that a state of emergency be declared. However, he says that it is possible and necessary to introduce certain elements of a state of emergency in regions a high crime risk. For instance in Crimea, where after the liquidation of several very powerful criminal groups, a new danger is growing. Under the logan of protecting national interests, there are some attempts to form a kind of Tatar self-defense detachments. According to Radchenko, some disreputable individuals representing this nationality are thus trying to fill the gap in the world of organized crime.

It would be a good idea to implement some elements of a state of emergency in Kiev and other large cities with high crime rates. Perhaps, we should "close" those cities at night and check everyone who comes or goes. Or, for instance, to use the existing authorities to check places such as night clubs....

In addition, he mentioned that he advocates the idea of introducing a state of emergency in national economy.

About the National Bureau of Investigation

Commenting on delays in establishing (in accordance with a presidential instruction) the National Bureau of Investigation, the minister said that this is intricate work which requires essential amendments to the law on operational-investigative and other activities. He expressed the conviction that in light of the accomplishment of a constitutional agreement, it will be possible to overcome these obstacles.

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About Interaction With Interpol

Every invitation to visit Interpol headquarters entails hard currency expenditures which the Ministry of Internal Affairs cannot afford. The minister suggested that an agreement with foreign law enforcement agencies be signed on exchange of information on the border situation. The expenditures for maintaining contacts with Interpol should be added to the customs duty on cars bought by our compatriots in the West. So far, we have achieved nothing in this field, even the answers from the respectable International Police Organization do not arrive regularly.

About Municipal Police

The general maintains that in the future, municipal police should function in Ukraine, as they do in many countries. There are some places in Ukraine where such units already exist. Therefore, in the 1995 budget certain funds have been allocated for them — 6.2 trillion karbovantsi. However, those funds have disappeared somewhere. Thus, the existence of municipal police is endangered; therefore, we might be forced to disband the units if the money is not found. The minister is going to search for the vanished trillions in the immediate future. [passage omitted]

About the Deficit in Budget Allocations

According to the leader of the ministry, a deficit to maintain the ministry hasalways existed. It occurs at a time when the ministry continues to reduce staff in non-operational units. We have an absurd situation: Hot water is being cut off in the premises of the Ministry of Internal Affairs and its polyclinic. So to speak: It is not winter; they can do with cold water. Debtors remain debtors, even in Africa.

A few more words about money: According to the colonel general, he is by no means the most well-paid employee of the Ministry of Internal Affairs. [passage omitted]

Journalists' Union Attacks Ban on Crimean Correspondent

LD1506205695 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 15 Jun 95

[Statement by the Secretariat of the Union of Journalists of Ukraine]

[FBIS Translated Text] On 13 June, the Presidium of the Supreme Council of the Autonomous Republic of Crimea made an unprecedented move by withdrawing permanent accreditation to local parliament from one of Crimea's leading journalists, Hryhoriy Yoffe. Moreover, a relevant decision by the Presidium of Crimea's Supreme Council provides no essential explanations, but only unfounded accusations to the effect that the journalist infringed upon Ukraine's laws on information and printed mass media. As a matter of fact, the Presidium of the legislative body assumed the powers of a judicial authority.

Having considered the issue, the Crimean Union of Free Journalists assessed the decision by the Presidium of Crimea's Supreme Council to withdraw accreditation from Hryhoriy Yoffe as another attempt to gag the freedom of speech and introduce political censorship in Crimea, because journalists who do not share the political views of the parliament's majority are deprived of access to information.

The Union of Free Journalists draws the attention of the public and public organizations in Ukraine and abroad to the fact that the Crimean bodies of state power have violated one of the fundamental rights of man — the right to free access to and dissemination of information.

The secretariat of the Union of Journalists of Ukraine supports the stand of the Coordinating Council of the Crimean Union of Free Journalists. It voices deep concern at the illegitimate actions by the Presidium of the Autonomous Republic of Crimea and demands that the Supreme Council of Ukraine revise and cancel the illegitimate decision by the Crimean bodies of state power, the secretariat of the Union of Journalists of Ukraine said.

Crimean Supreme Council Passes Draft Constitution

LD1506192695 Kiev UNIAN in Ukrainian 1445 GMT 15 Jun 95

[FBIS Translated Text] Simferopol — The Supreme Council of Crimea on 15 June passed in principle the republic's draft constitution, a UNIAN correspondent reports. Deputies also formed a new constitutional commission from representatives of Crimean parliament factions and independent deputies, which will finalize the fundamental law.

Volodymyr Klychnykov, Crimea's deputy parliamentary speaker, has been elected the commission's chairman.

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Economic Issues

Foreign Banks' Entry Into Financial System Liberalized

MK1506123095 Moscow SEGODNYA in Russian 15 Jun 95 p 4

[Unattributed report: "Ukraine National Bank To Simplify Procedure for Foreign Investors' Participation in Setting up Banks"]

[FBIS Translated Text] The National Bank of Ukraine (NBU) intends in the very near future to simplify terms of participation of foreign capital in the creation of banks on the country's territory. Oleksandr Kireyev, NBU deputy chairman of the board, announced in a press conference in Kiev 13 June that the NBU board will evidently pass a decree permitting the founding of banks with the participation of not only foreign banks but also other structures and organizations. Also, there are plans for lowering the minimum contribution from foreign investors toward the incorporation capital of joint banks, O. Kireyev said. In his words, the actual figure will be quoted later. Under the current quota the National Bank decree provides for, the contribution of a foreign partner cannot be lower than the equivalent of 1 million European Currency Units.

Kuchma Sets Up Commission To Control Stock Market

LD1506193895 Kiev UNIAN in Ukrainian 1445 GMT 15 Jun 95

[FBIS Translated Text] Kiev (UNIAN) — President Leonid Kuchma issued an edict setting up the State Commission for Securities and Stock Market.

The commission is set up to "provide comprehensive legal regulation of relations emerging on the securities market, protect the interests of Ukrainian citizens and the state, and prevent abuse and criminal conduct in this sphere". Oleh Mozhovyy has been appointed to head the commission.

The commission is authorized to employ specialists from state executive bodies, leading experts, and scientists without charge to obtain necessary information.

The Cabinet of Ministers is instructed to draw up legislation on the development of a system of state control over the functioning of the securities market and submit them to the Supreme Council within two months.

The Cabinet of Ministers, the government of the Autonomous Republic of Crimea, and the executive committees of regional, Kiev, and Sevastopol councils are instructed to accommodate the commission and its regional branches.

Kuchma Speaks of Vast Gold Deposits

LD1506171995 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 15 Jun 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma is continuing his working visit to Kirovograd and Dnepropetrovsk Regions. We are simply walking on gold and are not gathering it up, the Ukrainian president said after visiting the Klintsy gold deposit near Kirovograd. The government's main task is to help this sector now and then for its part it will help the whole of Ukraine, the head of state noted. The shortest way to resolve many problems is to extract precious metals, he stressed. Replying to questions from journalists, Leonid Kuchma also announced his intention to do everything necessary not only to ensure that state funds are invested in this sector, but also to attract all possible private finance. He also stressed that in order to develop Ukrainian deposits of precious metals it will be worth Ukraine showing its cards in more detail to international financial corporations.

TU Leader on Results of Miners Talks in Kiev

WS1606104095 Lugansk GOLOS DONBASSA in Russian 2 Jun 95 pp 1, 2

[Report on interview with Viktor Derzhak, chairman of the Central Committee of the Miners Trade Union, by Ivan Dmytrenko; place and date not given: "How Representatives of Miner Staffs 'Attacked' Kiev"]

[Translated Text] Representatives of miners from Donetsk, Lugansk, and other oblasts visited the capital for three days. We have to admit that they were unwanted guests. But it happens that if the authorities do not want to come to the miners, then the latter have go to Kiev to voice their demands.

The miners' "landing" — more than 350 people strong — arrived in the capital. What made them undertake such determined measures; what kind of demands did they arrive with? Viktor Derzhak, chairman of the Central Committee of the Ukrainian Miners Trade Union, said the following in a brief interview with GOLOS DONBASSA:

[Derzhak] We want a radical resolution of the problems of the mining industry. We think that about 15 percent of the problems can be resolved by using our own means. However the remaining 85 percent are beyond the industry's potential. These are not only financial problems, but also problems of a legislative nature, that is, state guarantees on providing normal working conditions for the industry. We came here first and foremost to resolve these problems. Yes, we came here not only to "extort" miners' wages which have not

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been paid for two months, but also to try to resolve those problems comprehensively, to root out the reasons which caused such dramatic results, which have affected the mining industry.

At present, given that we are united, we represent a force which has to be respected by the leadership. This was noticeable at the conference held at the Cabinet of Ministers on 29 May. We are satisfied with the decisions made there.

[Dmytrenko] What methods are you going to use in further activities?

(Derzhak] Force respects only force. I am an advocate of a civilized kind of force, with a tough approach on demands and on resolutions. Any compromise would harm the interests of the industry and the state. Our commission was driven by those motives, working jointly with the entire Cabinet of Ministers and the National Bank leadership. We are not going to change our stance even at the meeting with the president....

[Dmytrenko] What kind of documents have already been completed as a result of these meetings?

[Derzhak] The principal one — a protocol on coordination of activities, which consists of 17 clauses and was signed by Prime Minister Yevhen Marchuk.

[Dmytrenko] Does the charter of mutual understanding and coordination of activities between trade unions and employees of the mining industry , which was declared at a joint conference of the miners who arrived in Kiev and the members of the government, reflect the view of the situation in the industry and the ways to overcome the crisis?

[Derzhak] It fully does. The day of 30 May was packed with events. A session held by the miners and a number of ministers was quite stormy. The miners demanded a straight answer to the question: Will there or will there not be a domestic mining industry? All attempts to avoid a direct answer were not accepted.

On the same day, President Leonid Kuchma held a meeting with members of the commission and representatives of the oblasts. He listened to the miners' demands and proposals and assured them that he would take under his control the implementation of the 17-clause protocol, drafted by the Cabinet of Ministers at a joint conference on 29 May.

The day after the meeting with the president, the miners' representatives informed their compatriots about the results achieved in Kiev. The miners also visited the Supreme Council, where the deputies elected in the mining districts supported the demands of their electorate and promised that the demands will be officially filed.

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Belarus

Supreme Soviet To Stand Idle Until Fall Elections

LD1406165395 Moscow ITAR-TASS in English 1538 GMT 14 Jun 95

[FBIS Transcribed Text] MINSK, June 14 (ITAR-TASS) — A newly-elected Belarusian parliament will stand idle until this fall when by-elections are scheduled to be held in the republic to elect another 55 deputies - the number necessary to obtain the quorum of 174. This was decided at Wednesday's [14 June] extraordinary session of Belarus's Supreme Soviet.

The lawmakers voted down the Presidium's proposal to put on the session's agenda certain amendments to the election law. One of these amendments aimed to legally reduce the parliamentary quorum to two fifths of its composition, which would allow the new parliament to get down to business right away. All in all, the proposal on changing the agenda was backed only by 60 parliament members.

Belarusian ex-President Stanislav Shushkevich, currently a MP, brought in an initiative to reduce the minimum turnout, which currently is established at 50 per cent. The initiative was also rejected.

Deputy Claims Lukashenka Seeking Dictatorship

LD1506165695 Moscow ITAR-TASS World Service in Russian 1703 GMT 14 Jun 95

[By BELINFORM correspondent Vladimir Gulevich for TASS]

[FBIS Translated Text] Minsk, 14 Jun — Hopes that today's extraordinary session of the Belarusian Supreme Soviet will find a way out of the republic's parliamentary crisis have not been realized. Despite heated debate, the session failed to answer the main question: What is to be done when the former parliament no longer has any authority while the new one has not been elected in full and is therefore, invalid as well?

President Alyaksandr Lukashenka made an unambiguous appeal to members of the old parliament to leave the scene and stop taking their pay as deputies. As he put it, from now on he will only work with deputies elected to the new Supreme Soviet. However, many deputies insisted on having their powers extended. One opposition deputy, Zyanon Paznyak, the leader of the Belarusian People's Front, was particularly forthright in disagreeing. There is only one reason why President Alyaksandr Lukashenka wants us to step aside, he said. That is in order to concentrate all state power in his own hands and become a dictator. In Paznyak's opinion, members of parliament should therefore, carry out their duties until the end, until the new Supreme Soviet is elected. The session decided that this will happen no later than November this year.

Deputies also refused to agree with Alyaksandr Lukashenka's proposal on local soviets ceasing to operate since, according to the Constitution, their powers expired over a year ago. Most deputies saw this proposal as an attempt to eliminate the local soviets and voted against it.

In the event of an emergency, deputies belonging to the old Supreme Soviet intend to assemble as before.

Moldova

Snegur Rules Out 'Chechen Variant of Events'

LD1406171995 Moscow INTERFAX in English 1110 GMT 14 Jun 95

[FBIS Transcribed Text] CHISINAU, June 14 (INTERFAX) — Moldovan President Mircea Snegur rules out possibility of "the Chechen variant of events" in Moldova. As it is known, commander of the 14th Russian Army Aleksandr Lebed declared about such possibility earlier.

Earlier Lebed presented a note on resignation, however, there is still no decision on this issue.

Speaking with a group of journalists in Chisinau Wednesday Snegur expressed the opinion that "granting a special juridical status to Transdniester and withdrawal of the 14th Army are two absolutely different problems."

Snegur expressed a supposition that "the issue on Transdniester's status may be resolved before the end of this year."

Luchinskiy, Dniester Leader on Lebed's Retirement

LD1506123795 Moscow ITAR-TASS in English 1128 GMT 15 Jun 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, June 15 (ITAR-TASS) — "I think the decision on the retirement of General Aleksandr Lebed, commander of the 14th Army, will not have fatal consequences for the situation in the Dniester region," chairman of the Moldovan parliament Petr Luchinskiy told ITAR-TASS today. He expressed hope that Major General Valeriy Yavnevich, a new commander of the army, would be able to maintain proper discipline and order in the army and would not allow the plunder of arms depots.

"The stand of the Moldovan leadership with regard to the 14th Russian Army is well known. We should like

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the agreement on the withdrawal of the 14th Army, signed by the Russian and Moldovan governments, to be observed by the Russian side, and the stockpiles of armaments, whose amount has exceeded all reasonable proportions, to be withdrawn from the territory of the Dniester Region."

Grigoriy Marakutsa, chairman of parliament of the Dniester region, also believes that the retirement of Aleksandr Lebed will not lead to the worsening of the situation in the Dniester Region. "Only silly people or people, who have some special interests, can say that the plunder of armaments of the Russian Army or a war in the Dniester Region may come as a result of the retirement of Lebed. We are very much interested in maintaining peace and stability, which follows from the talks with the Moldovan leadership early in June on giving a special legal status to the Dniester Region."

In the opinion of Marakutsa, provocations against the Russian Army may be staged by those who are interested in the destabilisation of the situation in the Dniester Region, and "the Russian leadership should know about it."

Speaker Says Lebed Dismissal Not 'Fatal Event'

LD1506212295 Moscow INTERFAX in English 2019 GMT 15 Jun 95

[FBIS Transcribed Text] CHISINAU, June 15 (INTERFAX) — Chairman of Moldovan Parliament Petr Luchinskiy believes that the signing by Russian President Boris Yeltsin of a decree on the resignation of Aleksandr Lebed, commander of the 14th Russian Army in Transdniester, "is not a fatal event for the situation in the Dniester region." In an interview with INTERFAX on Thursday, he declared that the situation in Transdniester depended on efforts by all seeking to maintain stability in the region, including Chisinau, Moscow, and Tiraspol. It did not hinge on Lebed alone, Luchinskiy added.

He expressed confidence that the newly-appointed commander of Russian troops in Transdniester "will scrupulously abide by the signed Moldovan-Russian agreements on the principles, and terms for the withdrawal of the 14th Russian Army from Moldova as well as on its status."

Lebed Opponent To Start 'Brainwashing' 14th Army

AU1506194695 Chisinau INFOTAG in English 1806 GMT 14 Jun 95

[FBIS Transcribed Text] Tiraspol INFOTAG, 14/6/1995 — The Russian Security Council will be deciding Aleksandr Lebed's fate tomorrow, a source in the 14th Army Headquarters has reported. The source said that Russian Defense Minister Pavel Grachev has already given instructions to the ministry's personnel department to prepare all necessary documents for Lebed's resignation. The army commander himself refuses to comment on the situation, only repeating that he has nothing to do but wait till Commander-in-Chief Boris Yeltsin signs or does not sign his resignation.

According to officers in the 14th Army, Lebed's main opponent in Tiraspol, Dniester Republic Security Minister Vadim Shevtsov, said last Tuesday [13 June] to his close friends that "Lebed will be done away with on Thursday," after which it will be possible to begin preparations for blockading the 14th Army's armament depots and brainwashing the personnel.

Speaker Lucinschi, New Russian Envoy Confer

AU1606062995 Chisinau INFOTAG in English 1806 GMT 14 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 14/6/1995 — Moldovan Parliament Chairman Petru Lucinschi has spoken for providing additional guarantees by international organizations and individual states for observance of the would-be status for the Dniester region. Lucinschi made this statement while receiving the [new] Russian Ambassador Aleksandr Papkin today.

The parliament speaker pointed out that the draft status law had been worked out proceeding from international law and OSCE [Organization on Security and Cooperation in Europe] recommendations, and in no way infringes on the rights of ethnic Russians living in Dniester.

Lucinschi stressed the necessity to speed up the ratification by Russia of the Treaty on Principles of Inter-State Relations between Moldova and Russia, and to implement consecutively the 14th Army Withdrawal Agreement.

Aleksandr Papkin emphasized that his country had recognized the independence and territorial integrity of the Republic of Moldova, and shall treat the Dniester region as an integral part of Moldova. The Russian diplomat supported Lucinschi's propositions for elaborating interstate agreements in the field of migration, social protection, medical assistance, and education, which would promote solving problems faced by citizens of both states.

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Report on Dniester Party Leaders' Roundtable

AU1606062695 Chisinau INFOTAG in English 1806 GMT 14 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 14/6/1995 — "The beginning of a constructive dialogue" — this is how Dumitru Motpan, PDAM [Democratic Agrarian Party of Moldova — ruling party] chairman and deputy chairman of the Moldovan Parliament, regards today's roundtable meeting called "From Opposition to Accord, Economic and Spiritual Prosperity." It was organized by the ruling PDAM and attended by various political forces from the Dniester region.

"Transformation processes go really hard. The general situation is deteriorated by the unsolved Dniester problem, which affects the economy with much pain," Motpan said in his opening remarks. Calling for a constructive dialogue, he underlined that certain conditions have been created for that, such as the new Constitution which guarantees equal rights for all citizens. "Article 111 of the Constitution reads that certain regions may be granted special statuses. We were strongly criticized for adopting it, but this article already helped solve the problem of the Gagauz-dominated areas, and the Dniester dispute may be settled with its help, too," the party leader stressed.

PDAM deputy Anatol Popusoi emphasized the role the party plays in stabilizing the situation in Moldova. "Last year's parliamentary elections and the recent local elections have demonstrated that the agrarian democrats express the will of a majority of population, and are guarantors of the state's independence and sovereignty," he said. "The tragic experience of Dniester armed conflict proved that political disputes cannot be solved with force. There is only one reasonable method to tackle problems — to sit around a negotiation table, and discuss everything peacefully," Popusoi said.

The representatives of most Dniester region political forces that gathered around the roundtable in Chisinau today named the recognition of their self-proclaimed republic by the Moldovan authorities as a precondition for settling the conflict in the region. "Many new states emerged on the ruins of the USSR, which are not always within the borders of the former Soviet republics. The Dniester Moldovan Republic does exist, and it will be recognized sooner or later. We should be making one step after another in our work to create a confederative state, because any unitary state is already impossible here," stated Vitaliy Kiriak of the Popular Governance Party [in Dniester], who remarked that many people in Chisinau are still cherishing illusions about that.

Approximately the same spirits were shown by Nikolay Buchatsky, chairman of the Tiraspol City Council. He said that "the Dniester Moldovan republic does exist — with all power attributes, and to solve the problem we should place emphasis primarily on economy." He pointed out that "relations between Chisinau and Tiraspol are suffering complications due to the Chisinau's recently shown inclination toward Romania. There is a certain degree of Romanophobia in Tiraspol, because people still remember how the Romanians behaved here when Bessarabia was part of Romania."

The delegation of the Communist Party of Dniester Workers openly spoke for restoration of the Soviet Union, which, in their belief, would solve all existing problems.

Boris Akulov of the United Council of Labor Collectives fully backed them and said that "the unification should go at a new qualitative level, because disintegration is wanted only by politicians — to satisfy their own ambitions. The Dniester conflict, which began as an ethnic dispute, is currently a geopolitical one, and its reason is that Tiraspol tends to the East, while Chisinau to the West." In this connection, he explained that "Dniester lives as its own means permit, and we owe nothing to anybody, while Chisinau is being dictated to by the West, including the Council of Europe and the United States."

The representatives of moderate political forces in the Dniester region suggested to proceed from "talks about everything" to a more concrete work to settle the Dniester conflict. Speaking at the roundtable meeting today, the leader of Dniester People's Union, Andrei Safonov, suggested to transform such roundtable sessions into a permanent People's Supervisory Board, which would supervise the progress in the Dniester settlement negotiations. He urged Chisinau and Tiraspol politicians currently at power to meet with grassroot people more often, including with Dniester inhabitants, and to work out a state's perspective economic model, which would serve as a basis for integration between the two economies.

Safonov proposed to declare 21 July the day of All-Nation Reconciliation. In July 1992 the sides signed the Agreement on the Principles of Peaceful Settlement in Dniester, which marked the end of the bloody armed conflict there.

Nikolay Buchatsky promised that the new Tiraspol City Council will do everything possible to avoid the repetition of a situation when ethnic Moldovan schoolchildren in Dniester were prohibited to use their native language and the Latin script in their study.

Roundtable sessions of political forces from both sides of the Dniester should be held regularly — this is the

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main conclusion reached by the participants of the first such meeting that was held today in Chisinau. According to Dumitru Motpan, the session chairman, the meeting was very useful, in spite the heterogeneity of opinions offered, and the next one should be organized within a month so as to work out concrete propositions then.

The organizers appointed four representatives to prepare the next event. However, the Dniester delegates failed to appoint their representatives to the organizing team, because they represented various political formations, including the ones advocating diametrically different ideological ideas.

However, Nikolay Buchatsky has reassured that the Dniester side will settle the question within a few days, and the group may begin the preparations. Buchatsky also proposed to organize, before 21 July, meetings of industrialists, workers of agrarian sector, and culture, to establish a group to investigate into the 1992 armed conflict, to request the Moldovan president to issue a decree prohibiting prosecutions of the armed conflict participants, to request Moldovan and Dniester media to give up reciprocal attacks and accusations, to request the government to speed up the region's demilitarization, and to settle the problems at the customs checkpoints. The propositions may be discussed during next roundtable meetings.

PDAM Leader Denies Snegur Intends To Leave Party

AU1506161495 Chisinau BASAPRESS in English 2000 GMT 14 Jun 95

[FBIS Transcribed Text] Chisinau BASAPRESS, 14/6/1995 — PDAM [Democratic Agrarian Party of Moldova — ruling party] Chairman Dumitru Motpan denied the rumors that [Moldovan President] Mircea Snegur announced his intention to defect from the ruling party. Motpan told BASA that nor does the PDAM want to deprive President Snegur of the right to be a PDAM member. He said such rumors are spread "to dismember Moldova's leadership." President Snegur announced his allegiance to the PDAM in the spring of 1994. Many parties, including the Socialist Unity Faction, looked with suspicion at President Snegur's decision to become a member of the PDAM and thus give priority to a party. The opponents to Snegur's party membership argued that the head of state should be impartial and be a guarantor of human rights outside any party ideology. His recent legislative initiative to modify the Constitution in favor of the term "Romanian language" [as the country's official language] was the target of criticism on behalf of the government and PDAM publications. Local observers gauge this criticism generated rumors about President Snegur's departure from the PDAM.

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Kazakhstan

Japanese Delegation Considers Investment Propects

LD1506193395 Almaty PANORAMA in Russian 10 Jun 95 p 6

[Unattributed report: "The arrival of the impressive delegation of Japanese businessmen did not justify hopes that there will be an upswing in investments"]

[FBIS Translated Excerpt] On 4 June, the delegation from the Japanese-Kazakh Committee for Economic Cooperation concluded their visit. [passage omitted]

The Japanese delegation were interested in questions concerning transferring management rights over Kazakhstan's enterprises to foreign companies, the criteria for the issue of government guarantees for the credits that are being granted, as well as the transfer of bankrupt enterprises to the management of the Rehabilitation Bank.

The essence of the Kazakh side's answer to the first question was that the relation between the foreign operator-company (the local enterprise) and the government of the Republic of Kazakhstan should be stipulated in detail in the contract for every separate case. There are also the general provisions, which boil down to the fact that the foreign operator-company has the right to solve most of the personnel problems at the local enterprise; the working capital should be taken out of the profit of the enterprise that is being managed; the foreign managing company may be released from liabilities of all kinds, to invest in the Kazakh enterprise if its technical reequipping is carried out at the operator's expense. The role of the Ministry of Trade and Industry is to supervise the implementation of the relevant contract in these deals.

The question of government guarantees will also be dealt with individually for each case and depends on the enterprise's profitability and the marketability of the goods and property.

The Japanese businessmen were anxious about Kazakhstan's enterprises going bankrupt (14 such enterprises have already been transferred to the management of the Rehabilitation Bank). Having received an outline of the procedure for carrying out economic rescue measures at the enterprises and the information that no more than 30 enterprises will be put under the trusteeship of the Rehabilitation Bank, the Japanese side went on to the issue of how safe it was to run a business in Kazakhstan. A representative from the Ministry of Internal Affairs reported to those present that a special detachment had already been set up to ensure the physical and technical safety of foreign businessmen.

The session ended with the signing of a joint protocol of the Japanese-Kazakh and Kazakh-Japanese Committees for Economic Cooperation. [passage omitted]

PNEK Leader Sultanov on New Party's Goals

954F2532A Almaty NOVOYE POKOLENIYE in Russian 9 Jun 95 p 4

[Report on comments of Kuanysh Sultanov, chairman of the PNEK Central Committee, at roundtable in Karaganda; date not given: "'I Want To Engage in Politics Professionally'"]

[FBIS Translated Text] A roundtable with the participation of Kuanysh Sultanov, chairman of the People's Unity of Kazakhstan Party [PNEK] Central Committee, and the leaders of grassroots movements and parties of the central region has been held in Karaganda.

Answering questions of participants in the roundtable as to why the Union of People's Unity of Kazakhstan had been converted into a party, Mr. Sultanov replied that the SNEK [Union of People's Unity of Kazakhstan], as a mass grassroots movement, had in the two years of its existence accomplished its tasks. The time had come to become a political organization and undertake the molding of a new ideology in society. An ideology free of the former communist dogma.

K. Sultanov also put the emphasis on the fact that today, unfortunately, there are many "theorists" who are expressing doubts in connection with the independence of our republic. They are loudly declaring that Kazakhstan is not yet ready to become a sovereign state intellectually, politically, or economically. Such reasoning is being used to cultivate in the minds of the man on the street the old approach to a solution of all problems: The assurance that one is living beneath the wing of the "elder brother" is far more convenient also.

We, Sultanov observed, are for Kazakhstan becoming a strong and peace-loving state. And a strong ideology and the molding of normal human values are essential for this.

This is why our aim is the creation of a party of people's unity, which will not only in name but also in its actual essence uphold the interests and wishes of the people. Figuratively speaking, this will be a party of people's interests, the leader of the PNEK [People's Unity of Kazakhstan Party] declared.

Concerning the question of the actual realization of economic reforms in the country, Kuanysh Sultanov observed that a multitude of violations of legality and law and order stand out in this area. It is in the economic sphere that corruption is growing. I believe that the fight

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against the mafia and criminal elements should not be of a one-time, campaign nature. We agree on this issue with the program documents of many other grassroots organizations, the leader of the NEK [People's Unity of Kazakhstan] Party said.

Speaking of the problem of dual citizenship in Kazakhstan, he observed that, in his view, this issue was being artificially inflated by certain politicians. There is no citizenship problem either for Russia or for Kazakhstan. A treaty on a simplification of the procedure of the adoption of citizenship has been signed between the two countries. The question of the signing of such a document with other countries of the CIS, specifically, with Uzbekistan, Kyrgyzstan, Turkmenistan, and so forth, is being studied.

The leader of the People's Unity of Kazakhstan Party acknowledged in the roundtable conversation that he intends to "engage in politics professionally." No one, I believe, would dispute the fact that there is a shortage in the republic of competent, professional politicians dealing with specific matters, not lulling the minds of the citizens with loud and seductive speeches. Politics is not, after all, a hobby, as some seem to think, but an integral science requiring a serious and professional approach.

Judging by the speech of the leader of the PNEK in Karaganda, the party he heads is laying claim to the role of popular party. Well, time will tell and dot all the "i's".

Plans for Privatization of Oil, Gas Sector Detailed

MM1606100995 Moscow IZVESTIYA in Russian 15 Jun 95

[AGENTSTVO NEFTYANOY INFORMATSII report: "Kazakhstan Plans Oil Company Share Sale" — fron the "Financial Izvestiya" section p. i]

[FBIS Translated Text] It is planned to sell the "Yuzhneftegaz" Joint-Stock Company, the "Aktyubneft" Joint-Stock Company, and the Chimkent Oil Refinery by competitive tender. It is intended that up to 90 percent of shares in these enterprises, currently owned by the "Munaygaz" state holding company, will be offered for sale (the other 10 percent are owned by labor collectives). Around 80 percent of the shares will be sold to investors, including foreigner investors, and the other 10 percent will be sold for privatization vouchers. In the opinion of Kazakhstani Prime Minister A. Kazhegeldin, the income from the privatization of the oil and gas sector will raise around $3 billion for the Kazakhstani state budget. The process of privatizing this sector of the economy could take two-five years. During phase one in September this year no less than 20 percent of shares in oil and gas sector installations will be offered for sale.

Russian, Kazakh Television Companies Sign Accord

LD1506195895 Almaty Kazakh Television First Program Network in Russian 1400 GMT 15 Jun 95

[FBIS Translated Text] The Television and Radio Corporation of Kazakhstan and the All-Russian Television and Radio Company [as heard] signed a cooperation agreement today.

[Begin correspondent recording] The agreement was signed by Ashirbek Kopyshev, president of the Television and Radio Corporation of Kazakhstan, and Vladislav (Mushtayev), deputy chairman of the All-Russian Television and Radio Company. The document is a logical continuation of the treaty concluded in 1993 in Omsk by Nursultan Nazarbayev and Boris Yeltsin, the presidents of Kazakhstan and Russia, one of the points of which stipulated cooperation between the two countries in the field of television and radio broadcasting.

The agreement envisages the exchange of information and television program on both a commercial and non-commercial basis, production of programs on separate orders and joint programs, and establishment of corresponding offices. One of the provisions of the agreements that is, in our view, important, sets out that journalists of Kazakhstan and Russia undertake not to demonstrate materials affecting the internal interests and offending the honor and dignity of the two states' peoples. [end recording]

Newspaper SOVETY KAZAKHSTANA Adopts New Name

LD1506200095 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 13 Jun 95 p 1

[FBIS Translated Excerpt] From 12 June, the republic's socio-political newspaper SOVETY KAZAKHSTANA has adopted a new name: VESTI KAZAKHSTANA. More than 40 percent of readers who responded and two-thirds of the editorial staff, who as of today have the sole founding rights, voted for this name out of the five proposed by the paper.

As they put it in the editorial of the last issue under the old name: "The first democratic elections were held" — the first for both readers and for the editorial staff. [passage omitted]

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Tajikistan

U.S. Defense Department Delegation Meets Officials

LD1506182495 Dushanbe KHOVAR in Russian 1205 GMT 15 Jun 95

[FBIS Translated Text] A U.S. Department of Defense delegation led by Assistant Secretary of Defense Ashton B Carter arrived in Dushanbe for a one-day visit on 15 June.

The purpose of the American delegation's visit is to hold consultations and meetings with Tajik and Russian military officials and Tajikistan's official circles.

Today the American delegation met Saidamir Zukhurov, the republic's minister of security; Sherali Khayrulloyev, the minister of defense; and Lieutenant General Valentin Bobryshev, the commander of the contingent of peacekeeping forces in Tajikistan.

As a KHOVAR correspondent was told in the press department of Tajikistan's Foreign Ministry, Barry Carter, the deputy undersecretary of the Department of Commerce, also arrived with the military delegation. He was received by Deputy Prime Minister Holisjon Temurjonov.

Rebel Leader Denies Involvement in Killing

LD1506194395 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 15 Jun 95

[FBIS Translated Text] The Dushanbe regime's media has carried a report which quotes its leader, Emomali Rakhmanov, and says the murder of Izzat Kuganov, a deputy in the Supreme Assembly and one of the true commanders of the so-called Popular Front, was the work of the opposition.

Professor Sayyed Abdullo Nuri, the leader of the opposition, has issued a denial, describing the accusation as unfounded. The denial reads as follows:

In the name of God: In these days when every right-minded person in Tajik society is (?making efforts) in hope and desire for tranquility, national unity, peace, and accord in Tajikistan, the enemies of the Tajik nation are hindering this Tajik peace process and sowing the seeds of hostility between us with various intentions.

We regard the accusation by Dushanbe Radio that Kuganov's murder was the work of opposition forces as mere slander. We declare with a full sense of responsibility that the opposition forces remain faithful to the bilateral cease-fire signed in Almaty and that they had nothing to do with this murder. We consider that murders of this kind result from internecine clashes between commanders of the so-called Popular Front of Tajikistan.

Sayyed Abdullo Nuri, leader of the Tajik opposition forces.

Turkmenistan

Trial Goes Ahead Despite Russian Objections

MM1506112795 Moscow TRUD in Russian 15 Jun 95 p 3

[Report by Mikhail Pereplesnin: "Turkmenistan: Who Made the Attempt on Niyazov's Life?"]

[FBIS Translated Text] Ashgabat — The trial of Mukhametkuli Aymuradov, a citizen of Turkmenistan, and of Khoshely Garayev, a citizen of Russia and a Turkmen by nationality, has begun in Ashgabat on a charge of organizing terrorist activity and preparing an attempt on the life of the head of state — President Saparmurat Niyazov.

On the very eve of the start of the trial the Russian Embassy in Turkmenistan filed a complaint with the official authorities containing objections to the trial of Russian citizen Garayev.

The main arguments of the objections are as follows. Garayev was detained at the same time as Aymuradov on the territory of a third state (Uzbekistan) last October and was forcibly brought to Ashgabat without those actions having been agreed with Russia. This, in the Russian side's opinion, is grossly at variance with Turkmenistan's laws and its international obligations to abide by juridical-legal norms.

Following a representation from their Turkmenistani colleagues, last November Russian investigative organs instituted criminal proceedings against and actually arrested M. Esenov and Kh. Soyunov, citizens of Turkmenistan, in Moscow. The Turkmenistan side considered them direct accomplices of Aymuradov and Garayev and, moreover, the chief organizers of the terrorist activity. But the "plotters" arrested in Moscow were soon freed, and by February this year the case against them had been dropped for want of a corpus delicti.

The contradictions that arose did not make the Turkmenistani investigators doubt the correctness of the measures taken against Garayev and Aymuradov. It is possible to conclude from preliminary statements by Bekmurad Otuzov, deputy chief of the investigation department of Turkmenistan's National Security Committee, that the investigation possesses proof of the conspirators' plans to create mobile armed groups. It is assumed that persons resident both in Moscow and on the territory of Turkmenistan were recruited for them. The terrorists' specific tasks included studying President S.

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Niyazov's routes and videoing his place of residence and its protection system.

Turkmen Region Now Using Locally-Made Electricity

LD1406110095 Ashgabat TURKMENSKAYA ISKRA in Russian 10 Jun 95 p1

[FBIS Translated Text] Tashauz, 9 June (TURKMEN PRESS) — A major step was taken towards true economic independence for Turkmenistan today. For the first time, the control panel of the national power network's central control department issued an order to switch Tashauz Region, which used to get its electricity from Uzbekistan, to the country's integrated power network. This was made possible by putting the first phase of a major construction project, the Seydi-Tashauz LEP-500 [powerline], into operation. Construction of it began in the 1980s. Even at that time Turkmenistan's power capacity was sufficient to supply the north of the republic, which received its electricity from the Takhiatash State District Electric Power Station in Karakalpakistan.

It was necessary to build a 379-kilometer power transmission line to Tashauz. Implementation of this grand project in sovereign Turkmenistan was largely made possible thanks to the personal initiative and support of Saparmurad Turkmenbashy. The head of state monitored every step along the road to self-sufficiency in energy for the country. The government more than once took decisions to use Ukraine's debts for Turkmen gas to supply metal components, wire, insulating material, and other materials and equipment for the construction of the line.

Specialists from the Kuvvat [Turkmen energy] corporation and builders from the Turkish STFA [expansion unknown] firm have so far prepared a 186-kilometer section of the future line - from Dashkhovuz to North Balkuy — for operation. In order to speed up the connection of the northern region to the integrated national power network system, Turkmen power engineers have produced a temporary plan involving the use of that section of LEP-500 which is ready and the existing 110-kilovolt lines from Seydi to the substation at Darganata.

Resolution on Controls on Money Circulation

LD1506165795 Ashkhabad TURKMENSKAYA PRAVDA in Russian 10 Jun 95 p 1

[Resolution by President Saparmyrat Niyazov on strengthening control over the circulation of money]

[FBIS Translated Text] With the aim of improving the circulation of cash, reducing emission and ensuring that cash returns to the banks in full and in good time, I decree:

1. Cash transactions by legal entities under all forms of ownership and by citizens engaged in enterprise are to be conducted according to the procedure established by the Central Bank of Turkmenistan.

2. The Main State Tax Inspectorate of Turkmenistan is to apply financial sanctions to legal entities under any form of ownership and to citizens engaged in enterprise, based on checks it has carried out itself and on material provided by commercial banks and state bodies which conduct checks on the observation of cash transaction procedures and the conditions of work with cash. These sanctions are to take the form of fines of:

— twice the sum total of cash transactions made with other enterprises and citizens;
— three times the sum total of cash funds which are received but not credited as received (or not credited in full) in the cash department;
— three times the sum total of cash that is held in a manner that breaches current procedures or in amounts that exceed the set limit;
— 110 percent of the sum total of cash supplied by banks and not used for its intended purpose, as well as of the sum of cash earned from trade that exceeds the cash spending norm.

Officials and citizens who commit breaches of cash transaction procedures are to be subject to fines of the amounts stipulated by Part 2, Article 167/2 of the Turkmen Code on Administrative Infringements.

3. Commercial banks and state bodies which conduct checks on the observation of cash transaction procedures and the conditions of work with cash are to intensify their monitoring of cases where cash supplied by banks is not used for its intended purpose and where cash that has been earned from trade exceeds the cash spending norm.

4. The Ministry of Justice of Turkmenistan shall within 10 days submit proposals to the Cabinet of Ministers of Turkmenistan on introducing amendments and additions to current legislation in accordance with this resolution.

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Uzbekistan

'Unfriendly' Afghan Accusation Protested

LD1506164395 Tashkent NARODNOYE SLOVO in Russian 14 Jun 95 p 1

["Information by the Ministry of Foreign Affairs of the Republic of Uzbekistan" — NARODNOYE SLOVO headline]

[FBIS Translated Text] In recent days, some of the foreign media have disseminated a statement by Abdulkadyr Fitrat, deputy head of the Central Bank of Afghanistan, which says that counterfeit banknotes allegedly manufactured in Uzbekistan have appeared on the territory of his state.

In view of the fact that the dissemination of such deliberately falsified rumors is not in keeping with the spirit of good-neighborliness, noninterference in internal affairs, and peaceful coexistence of the two states, the Ministry of Foreign Affairs of Uzbekistan has issued a protest over this unfriendly action.

On 13 June this year, (Said Alamuddin Asir), the Afghan charge d'affaires in Uzbekistan, was invited to the Ministry of Foreign Affairs. This protest was made to him, and he was told that the Uzbek side wanted an explanation from the official Afghan authorities about this dissemination of false rumors.

Karimov Defends Confidence in Country's Future

LD1506172195 Tashkent NARODNOYE SLOVO in Russian 15 Jun 95 p 1

[President Islam Karimov's speech at the opening ceremony of the first phase of Hydrometallurgical Plant No. 3 at the Navoy mining and metallurgy enterprise]

[FBIS Translated Excerpt] Dear comrades! Friends!

First of all, allow me to congratulate all of you on today's festive occasion — the opening of the new plant — and wish you good health, success, peace, and prosperity in your homes. The commissioning of the first phase of plant No. 3 is a truly momentous event in the life not only of your workforce and all of industry in Navoy, but also the entire republic. [passage omitted]

As we make a critical analysis of the situation in the country and the importance of the reforms being carried out in the economic, political, and moral spheres, we may now boldly say that yes, Uzbekistan is overcoming the crisis, it is confidently picking up speed as it renews itself, and it is looking into its future with confidence.

What is the basis for this confidence of ours?

First, there are few states on the world map which possess such wealth, such mineral, agricultural and other truly unique resources as our land does. The majority of this wealth remains untapped, and this is attracting attention from world-renowned companies and banks; they want to cooperate with us on the basis of mutual advantage.

According to calculations by American experts, the value of Uzbekistan's mineral resources alone is estimated at $3 trillion. These figures speak for themselves.

Second, our greatest wealth is our hard-working multiethnic people. We have a great history and great traditions. We should not be embarrassed or afraid of this, but rather say boldly that yes, Uzbekistan is proud of its history and good traditions. The blood of great forebears who made substantial contributions to world civilization courses through our veins. Great thinkers who preached the great values of humanism, philanthropy, peace, accord, good, and justice lived in this land.

The third factor on which our confidence is founded is the correct course of reforms which we chose after the collapse of the USSR; the course of consolidating independence and sovereignty. This means the gradual and phased nature of our reforms. It also means their consistent implementation.

It means our strong social policy, which has become one of the main principles of the Uzbek-model market. Our main watchword is not people for reforms, but reforms for people. This is acknowledged by everyone today, and is ensuring the success of and support for the course of reforms.

The fourth factor: tell me, where else in the post-Soviet space are so many projects being built, especially in the main economic? [passage omitted]

The fifth and perhaps most important factor, which cannot be measured by physical yardsticks, is peace, stability, and mutual understanding.

This means civil peace and interethnic accord, which we have managed to secure in our home called Uzbekistan. That is what unites people and is the principal precondition for every person and every family to feel confident about their life today, confident about their children's future, and confident about their nearest and dearest.

That is the healthy climate which is essential for any creative activity, for any construction and for any work. [passage omitted]

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Armenia

Gas Pipeline Between Georgia, Armenia Blown Up

NC1606144095 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 14 Jun 95

[FBIS Translated Text] We now have unpleasant news for our listeners. The Government's press service has reported that the gas pipeline feeding Georgia and Armenia was blown up 90 kilometers south of Mozdok in northern Caucasus at 0235 on 16 June. [words indistinct] was damaged. The repair work is continuing. The gas supply will resume on (?17) June.

Vice President on Need for Cooperation With Russia

LD1606130895 Moscow ITAR-TASS in English 1002 GMT 16 Jun 95

[By Aleksey Burlakov]

[FBIS Transcribed Text] ROME, June 16 (ITAR-TASS) — Armenia will be able to get through the hard transitional period only in cooperation with Russia, visiting Armenian vice-president Gagik Arutyunyan said in Rome on Friday [16 June].

The Italian leadreship is ready to develop mutually beneficial relations with Armenia, Arutyunyan told TASS.

Italian President Oscar Luigi Scalfaro reiterated his government's decision to open an embassy in the Armenian capital, Yerevan, Arutyunyan said.

Armenia successfully participated in the 1995 International Venice Biennale which was attended by the Armenian vice-president. For the first time in the history of this famous art exhibition, Armenia has its own pavilion. Hundreds of Armenians from all over the world attended the opening ceremony of it, Arutyunyan said.

10 Opposition Parties Form 'Coordinating Council'

LD1506174995 Moscow ITAR-TASS in English 1228 GMT 15 Jun 95

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN, June 15 (ITAR-TASS) — Armenia's ten oppositional political parties today announced that they would act in concert ahead of the forthcoming parliamentary elections and referendum on Constitution scheduled for July 5.

The opposition parties have formed a coordinating council with former Prime Minister Vazgen Manukyan, who is now chairman of the board of the National-Democratic Union of Armenia and one of the opposition leaders, at the head.

The party leaders told a joint press conference here that the republic was unable to hold fair democratic elections. For this reason, they called for postponing elections to enable all political forces to take an equal part in the election campaign.

Democratic Party chairman Aram Sarkisyan said that after "the central commission for elections to the National Assembly of Armenia refuse to register certain political parties and individual politicians, it became obvious that a new situation was arising in the republic and the power was increasingly concentrated in the hands of a narrow group of people headed by President Levon Ter-Petrosyan."

According to Sarkisyan, the state-run propaganda was brainwashing the people by presenting only one viewpoint in favour of the Constitution and indirectly agitating in favour of the candidates close to the power-to-be. The leadership of Armenia is deliberately working to weaken the opposition, he said.

According to former Premier Vazgen Manukyan, it was important to have hundreds of thousands of people express their desire for fair democratic elections. This alone will make possible a revision of the central electoral commission's decision, he said.

Manukyan admitted that a question about nominating the same candidates by all opposition parties had not been discussed.

Leader of the party Dashnaktsutyun Vagan Oganesyan declared that "the people's hatred of the government is very great". He insisted that the authorities had crossed the watershed when they removed the opposition not only from participation in the elections but also from supervision of voting.

Secretary of the Central Committee of the Communist Party of Armenia Gagik Tatevosyan declared that his party had joined the opposition coordinating council as an associated member. The communists also favour fair elections and reject the proposed Constitution.

Representatives of the ten parties were unanimous in rejecting the draft constitution to be submitted to a plebescite on July 5 concomitantly with the parliamentary elections.

Party Chairman on PRAA Election Stance

954F2535A Yerevan VREMYA in Russian 10 Jun 95 pp 1-2

[Interview with Ruben Mirzakhanyan, chairman of the board of the Ramkavar-Azatakan Party of Armenia (PRAA), by A. Yerkanyan; place and date not given:

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"'The Poles Are Moving Further Apart, But We Remain in the Center'"]

[FBIS Translated Text] [Yerkanyan] The Ramkavars were the first of the republic's social and political organizations to publish their election platform. In what way does this program document differ from similar documents adopted by other political parties of a liberal-democratic focus?

[Mirzakhanyan] A whole number of organizations which it has been customary to consider liberal-democratic (I refer primarily to the Armenian National Movement) have been created in the republic as of late. In actual fact, though, their activity has nothing in common with the ideas of liberalism and democracy.

Vulgar liberal democrats believe that the state should not pursue an active social policy and should refrain from interfering in the social sphere altogether. We, however, believe that the level of liberalization of the economy and the successful development of market relations in the country may be judged by the extent to which its citizens are socially protected and by how active the social policy of the government is.

All the parties of a right-wing persuasion have hastened to proclaim themselves liberal-democratic. Yet they are not such. They should know that liberal democrats have always adhered to the most left-wing positions in the camp of the right, just as the social democrats have adhered to the most right-wing positions in the camp of the left.

[Yerkanyan] Your party's attitude toward the draft constitution is highly ambivalent. You severely criticized this document from the rostrum of the Fourth PRAA Congress. At the same time, on the other hand, recent speeches of leaders of the party permit the conclusion that the PRAA, on the whole, supports the final version of the draft....

[Mirzakhanyan] With the best will in the world, no one could accuse us of the fact that the party's leaders have ever called for an unequivocal "no" or an unequivocal "yes" to the draft constitution. We continue to study this document closely and dispassionately, weighing all its positive and negative aspects. It is utterly incomprehensible to us when the authorities call this draft just about the most brilliant that has ever been created by specialists in public law and, on the other hand, when opposition figures, barely having acquainted themselves with the document, call it monstrous.

We have said repeatedly that the draft constitution has serious shortcomings. This applies primarily to three points: the inordinate authority of the president, the virtual abolition of local government, and the unduly big role of the executive in the formation of the judiciary. At the same time, on the other hand, it should be noted, for example, that the section on human rights has been written to quite a high standard.

It is perfectly obvious that the document is far from ideal. But we are reluctant to avail ourselves of this. We could "strike a pose," of course, call the draft "AOD-ite," and call on the electorate to vote against it at the referendum. I assure you that this would bring us, as an opposition party, votes. But we would be fooling the people because we would be concealing from them the truth. The truth is that this document has quite a number of both weak and strong aspects.

We realize that the position that we have adopted is unpopular. The Ramkavar-Azatakan Party has become on object of speculation of the authorities on the one hand, which have for some reason or other decided that we support this draft, and, on the other, of the radical opposition, which, while knowing the true state of affairs, has latched with pleasure onto this false information and is using it to justify accusations of betrayal against the PRAA. But the question of the adoption of the constitution is too important for party or personal interests to be mixed up with it. We consider ourselves above this. The logic of yesterday's AOD-ites and today's radical opposition members saying "no" merely because the authorities are saying "yes" is alien to us. And neither is putting forward arguments in its support. They are simply using against one another language of the street, whose children they are.

[Yerkanyan] Going by what you say, the party leadership has not finally made up its mind where it stands on the question put to the referendum. Meanwhile, both the PRAA representative on the Constitutional Commission and the majority of Ramkavar deputies voted to approve the draft.

[Mirzakhanyan] Rafik Petrosyan, the PRAA's representative on the Constitutional Commission, was one of its most active members. On a number of most important provisions, incidentally, he expressed his dissenting opinion, formalizing in writing his disagreement on the issues that I enumerated earlier. As far as the vote in parliament is concerned, the party leadership left the decision on this matter to the discretion of the members of parliament themselves. The point being that the vote in the Supreme Council was, in fact, merely of a formal nature inasmuch as parliament had already adopted earlier the constitutional statute in accordance with which the basic law is to be adopted by way of a referendum. When the constitutional statute was adopted, it was not at that time clear what the final version of the document would be like....

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[Yerkanyan] But the final version, consequently, was not entirely as might have been desired.

[Mirzakhanyan] Might have been desired by whom? The supporters of a parliamentary republic? The parliamentary form of government has both its pluses and its minuses. The pluses are well known. They amount to a spirit of democracy. But, on the other hand, the parliamentary form, particularly under the conditions of a state's formation, creates conditions of mass lack of responsibility. This is why we advocate strong presidential authority. What is the point of us having a president if he lacks authority? If the British support the monarch as a symbol of the state, they do so because, first, they are sufficiently wealthy and, second, this is what tradition demands. Nothing is demanded of us, however, other than common sense. And common sense says that we need a strong president, a strong parliament, and, what is most important, a strong judiciary. A minus feature of the constitution is the fact that the president is strong at the expense of parliament and the judiciary. This is impermissible, of course.

If the basic law is adopted, it will be necessary from day one to begin work on the insertion in it of the requisite amendments. Not having adopted the constitution, we would continue in a situation of legal chaos, which would essentially make it far easier to install an authoritarian regime, of which the radical opposition is so afraid.

[Yerkanyan] In accordance with the proposed draft of the constitution, the Cabinet of Ministers is appointed by the president. Nonetheless, the document ensures for parliament certain mechanisms of control of the activity of the government and even of indirect influence on the process of its formation. Do you allow of the possibility of participation in the cabinet of representatives of certain moderate opposition forces, to which your party is attributed, if they manage to acquire a sizable number of seats in the National Assembly?

[Mirzakhanyan] In democratic states the composition of the government is proportional, as a rule, to the correlation of forces in the legislative body. This makes it possible to avoid crisis. In our case, if the opposition forces are successful at the parliamentary elections, the participation of their representatives in the government and structures of the executive would be most acceptable by way of a gradual change of political power.

[Yerkanyan] That is, were such an offer to be made to the leadership of your party, say, you would accept it?

[Mirzakhanyan] Participation in the organs of power, be it parliament or the government, is essential to us as a means of implementation of the program. We have no need of formal participation, on the other hand, inasmuch as we have no intention of deciding matters connected with the career of our figures.

[Yerkanyan] The purpose of the ongoing political consultations between opposition parties was interaction in the period of preparation for the elections. Why has the Ramkavar-Azatakan Party shunned cooperation with other political forces, having declined to participate in the consultations?

[Mirzakhanyan] Time has shown that our refusal was entirely justified inasmuch as the organizations taking part in these consultations have achieved little. Visible proof of this is the fact that leading figures of the "consulting" parties are opposing one another in many constituencies. We forecast such a situation. The only thing that unites the parties of the radical opposition are common feelings toward the ruling party and a desire by joint efforts to oust the present authorities.

[Yerkanyan] How do you evaluate their chances of accomplishing this common task?

[Mirzakhanyan] The transition of power from one party to another is a natural process, which is in itself a guarantee of development. Defeat at the elections for the ruling party should be merely a stimulus to new efforts to return to power at the next elections. The forces that are at the helm in Armenia, however, take this matter very hard. They regard a loss of power as a tragedy equivalent to the end of the world since they recognize that they would not return to power. They will do everything possible just to hold on to power. If, as a result, there are very undesirable consequences, not the least blame for this will be borne by the radical opposition also, whose leaders are today threatening to hang, quarter, and shoot everyone that is an accessory to the AOD.

[Yerkanyan] It cannot be ruled out that there will after the elections be a new regrouping of forces. Perhaps a situation will be created wherein the Ramkavar-Azatakan Party abandons the center position and begins to gravitate more toward one of the poles?

[Mirzakhanyan] The poles have changed many times during our existence, but we have been, are now, and, I believe, will remain a center party in terms of our political behavior. If the question is approached from the purely geometrical viewpoint, it may be said that the left and right poles are moving further away from one another. The center, however, remains in place.

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'Republic' Bloc Platform Presented

954F2536A Yerevan RESPUBLIKA ARMENIYA in Russian 10 Jun 95 pp 2-3

[Election program of the Republic bloc: "Liberty, State, Prosperity"]

[FBIS Translated Text] The Republic bloc includes the social and political organizations of the Armenian National Movement, the Republican Party of Armenia, the Christian Democratic Union of Armenia, the Gnchak Social Democratic Party, the Intellectual Armenia Union, and the Ramkavar-Azatakan (Liberal Democratic) Party and also independent prominent figures of science and culture, production workers, and statesmen, who have been united by the common goal of a sovereign, democratic, and social state based on the rule of law.

Legislation, Constitutional Development

The adoption of the Constitution, the establishment of the supremacy of the law, the creation of an independent and effective judiciary, and the strengthening of democratic institutions.

Assurance of the efficiency of the work of the executive authorities, the elimination of excessive intermediate components of power, the establishment of self-government in the localities, an increase in the responsibility of the role of the central authorities in regard to republic-wide tasks, and a 15 percent reduction in the machinery of state.

The adoption of a new Criminal Code for the priority assurance of the protection of the individual and the introduction of a modern system of punishments for a limitation of subjectivism in imposition of the punitive measure.

The adoption of a new Civil Code for the efficient regulation under the conditions of a liberal market economy of contractual, property, and other private-ownership relations and the assurance of the inviolability of property.

Formation of a Free Economy

Completion of the privatization of the main enterprises for the processing of agricultural raw material and facilities of small- scale and wholesale trade, public catering, and services (1966) [as published].

Stimulation of the privatization of industrial enterprises.

Facilities of power engineering, health care, education, and communications, the railroad and highways, airports, the metro, and military industry shall remain as state property, in the main.

Financial and Tax Policy

Alleviation of the tax burden and an extension of the tax field.

Preservation of the state policy of the stimulation of foreign trade and a liberal trade posture.

Preservation of the stability of the value of the dram.

The creation in accordance with the law of a system of compulsory insurance with the participation of the banks and other financial and credit institutions with their increased reliability for assurance of compensation for loss in the event of bankruptcy.

Power Engineering

The commissioning of the Ger-Ger Hydropower Plant (end of 1995).

Operation of a power line with Iran (1996).

Startup of the fifth power unit of the Razdan State Regional Power Plant (1996).

The commissioning of the Yegvard Reservoir and Hydropower Plant and also hydropower plants with a total capacity of 250 megawatts (before the year 2000).

The efficient use of our own energy resources and continuation of the exploration for reserves.

Anticipated power supply: 18 hours a day in August-November 1995, 10 hours in the winter of 1995-1996, 24 hours in April-November 1996, 14 hours in the winter of 1996-1997, and 24 hours permanently as of the spring of 1997.

Priority Capital Construction Programs

The commissioning of the subterranean Vorotanskiy water conduit, which will provide Sevan with an additional 60 million cubic meters of water (1998).

The commissioning of the Sevan-Dilizhan Motor Tunnel (1997).

The launch of a new copper-smelting plant in Alaverdi with a capacity of 5,000 tonnes a year (the year 2000).

The construction of a modern powerful copper-smelting plant with a capacity of 30,000 tonnes a year (construction to begin in 1997).

The commissioning of a new gold-mining factory with a capacity of five tonnes a year (the year 2000).

The commissioning of the Parakar Gypsum Plant (1998).

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The launch of the third stage of the Razdan Cement Plant, which will make Armenia a major exporter of cement in the region (the year 2000).

The start of the operation of the modern Megri-Dzhavakhk Motorway, including operation of the Megri-Kadzharan Tunnel (1999).

The commissioning of a freight terminal (1997), which will make Armenia an important airline hub.

The construction of natural gas liquefaction complexes (1998).

The creation in Yerevan and other localities of the republic of automatic water-supply systems (1998).

Continuation of the construction of metro lines and the commissioning of the Charbakh Station (1996).

The commissioning of the Davidashen Bridge (1998).

Restoration of the irrigation system (to be completed in 1999).

Realization of programs to maintain the biological balance.

Social Sphere, Health Care

The creation of a unified system of social security.

The creation and utilization of mechanisms for the efficient ascertainment of the socially unsupported strata of society and the most targeted use of the funds allocated for social assistance.

Approximately 140,000 jobs (with an estimated pay the equivalent of $100) will have been created before the year 2000 from credit obtained by the state. A further 250,000 jobs approximately (with an estimated pay the equivalent of $100) will have been created thanks to the influx of foreign private investments.

Within three years pay will have increased fivefold, at a minimum.

Continuation of housing construction for the refugees and deportees.

Construction in the disaster zone to a sum of $90 million, at a minimum (before the year 2000).

The restoration of the border localities.

The construction in Yerevan of $29 million of apartment houses for the residents of homes that have been sold and those that are in a state of disrepair.

Health care will be financed from state investments and the resources of compulsory and voluntary insurance funds.

The state guarantees free medical assistance and services for the unsupported strata of society and also the implementation of all-state health care programs.

State programs for youth assistance, sports, and a strengthening of the family will be implemented.

Education, Science, Culture

The solution of questions of education will be one of the state's most priority tasks.

The role of the teacher and the school in society will be raised appreciably, and the social conditions of teachers will be improved.

Culture and the basic sciences will be under state sponsorship, and earmarked scientific and cultural programs will be regulated.

The state program Christianity 1700 will be implemented in the period 1995-2001.

Foreign Policy

The establishment and development of neighborly relations with all neighboring countries.

The pursuit of a balanced foreign policy with the preservation and development of the special relationship with Russia.

Preservation of Armenia's international authority and active participation in international and regional organizations.

The intensification and development of the cohesion of Armenians of the whole world around the idea of statehood.

The maintenance and development of communications linking Armenia with neighboring countries (specifically, the commissioning in 1995 of the main Megri Bridge).

The periodical receipt of soft loans from international organizations for programs of the targeted development of infrastructures and works of strategic significance (of the order of approximately $800 million up to 1999). The implementation of a policy geared to the stimulation of private foreign investments, which will make it possible in the very near future to conclude an agreement for the investment of approximately $700 million, and approximately $1.5 billion in investments are expected by the year 2000.

Karabakh Problem

Consolidation of the self-determination of the Nagorno-Karabakh Republic.

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Continuation of the utmost support for Karabakh, priority backing for its socioeconomic development plans, realization of the programs for the return to their home parts of Armenians deported from Artsakh.

Armed Forces

The creation of a combat-capable and disciplined army possessing high moral qualities and [word illegible] valuable modern equipment.

A strengthening of the military-industrial complex and the most efficient use of available potential.

Azerbaijan

Report on Helsinki Talks on Nagorno-Karabakh

LD1506214895 Moscow Radio Rossii Network in Russian 1700 GMT 15 Jun 95

[FBIS Translated Text] Consultations on settling the military conflict in Nagorno-Karabakh began in Helsinki today. The meeting is taking place within the framework of the Minsk OSCE group for Nagorno-Karabakh. Leonid Lasko, the RIA Novosti correspondent in Finland, has the details:

[Begin Lasko recording] So as to achieve peace as soon as possible, two conceptually different approaches to resolving the problem — something that is rare in the practice of international diplomacy — are being studied simultaneously. The first is that an agreement is being drawn up for a stage-by-stage withdrawal from the situation that now exists. The second is based on the preparation of an all-embracing package of solutions in which all the interests of the sides have been balanced out — and at a single stroke peace is achieved.

One would like both conceptual lines to merge into one as quickly as possible and not endlessly continue on their parallel path, Vladimir Kazimirov, the special representative of the president of the Russian Federation for a political settlement in Nagorno-Karabakh, said before the opening of the consultations.

The draft agreement contains a preamble, 16 articles, and four appendixes. Its essence is the stage-by-stage elimination of the conflict's grave aftermath, including the withdrawal of troops from the captured territories, the resumed functioning of supply lines, the repatriation of captives and hostages, and the return of refugees to their places of permanent residence.

In turn, at the request of the co-chairman, the key problems of a settlement were specified by the warring sides. Among them one can mention the problem of the Lachin and Shusha settlements, which are important for Azerbaijan, and for Nagorno-Karabakh's Armenians guarantees of security and Nagorno-Karabakh's future status. Common to the sides is the problem of the refugees which, as a matter of fact, is the main catalyst in the negotiating process. For 13 months now the truce in Nagorno-Karabakh has in the main been maintained. In these conditions the signing of an agreement on transforming armed conflict and eliminating in stages its aftermath will be of key importance.

The idea of the organizers of the consultations is that, after the signing of the agreement and as the stances on key problems draw closer, the relevant articles will be entered into the text of the agreement. The conclusion of such an agreement will make it possible to start a peacekeeping operation and preparations for holding the Minsk OSCE conference on Nagorno-Karabakh.

RIA Novosti correspondent Leonid Lasko from Helsinki, specially for Radio Russia's news service. [end recording]

Foreign Minister's Turkmenistan Visit Detailed

NC1506204695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 15 Jun 95

[FBIS Translated Excerpt] Turkmenistan's President Saparmurad Niyazov will pay an official visit to Baku in the near future at the invitation of Azerbaijani President Geydar Aliyev. An official invitation by President Geydar Aliyev to this effect was conveyed to the Turkmen president by Azerbaijani Foreign Minister Gasan Gasanov during his brief working visit to Ashgabat some days ago. In addition, during Foreign Minister Gasan Gasanov's visit to Ashgabat talks were held at various levels between Azerbaijan and Turkmenistan on the development of bilateral ties. Our special correspondent Gullu Muherremov reports:

[Begin recording] [Nuherremov] The Azerbaijani foreign minister's visit was important most of all for the development of bilateral ties with Turkmenistan. Following the dissolution of the USSR and after gaining their independence, Azerbaijan and Turkmenistan established some ties, mostly within the CIS and lately within the Economic Cooperation Organization. However, a number of historical, political, and national-ethnic affinities and mostly economic factors necessitate an intensive development of ties between Azerbaijan and Turkmenistan. Though arising from this necessity, the Ashgabat visit also had the important aim of clarifying the sides' positions on regional developments. As such, comparatively more attention was focused on this issue during the meeting between Gasan Gasanov and Boris Shikhmuradov, deputy prime minister and foreign minister of Turkmenistan. On the other hand, mostly global issues were discussed during the rather long meeting with the Turkmen President Saparmurad

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Niyazov. The Armenian-Azerbaijani conflict and its resolution, the need to develop Azerbaijan-Turkmenistan ties, the perpetuation of the policy of traditional joint cooperation in the Caspian Sea, and issues on which the sides' positions often coincide were examined in depth at this meeting.

As a concrete manifestation of this closeness, Gasan Gasanov handed Heydar Aliyev's official invitation to Saparmurad Niyazov to visit Azerbaijan.

On the same day, the heads of the Azerbaijani oil, gas, and energy companies, who were accompanying the Republic's foreign minister on his visit to Ashgabat, discussed matters of intensive cooperation with their Turkmen counterparts. Following these talks, there emerged the view that Turkmenistan and Azerbaijan should not put each other in a difficult position in this period of grave historic trials. Therefore, at present cooperation based on concrete action is the best expression of friendship and fraternity. This fact is well understood in Turkmenistan, where the number of foreign firms are on the rise daily and where these firms form consortiums. For example, foreign firms from various countries have had commissions for more than 800 installations in Turkmenistan in the last two years. Azerbaijani foreign minister visited one such installation, the Turkmen Hotel, which is almost ready for commissioning and familiarized himself with the work of the Turkish designers.

The Azerbaijan-Turkmenistan dialogue continued at the Foreign Ministry of the fraternal republic, and as a sum-up of the visit, a protocol on cooperation was signed between the foreign ministries of the two countries.

[Shikhmuradov] [statement in Russian omitted]

[Gasanov] Turkmenistan is a very suitable political and economic partner for Azerbaijan. Hence, the forging and improvement of relations with Turkmenistan is at present one of the main priorities of our foreign policy. That is why I came to Ashgabat at the instruction of Azerbaijani President Geydar Aliyev and conveyed Aliyev's greetings to the Turkmen president, and, at Geydar Aliyev's instructions, I invited him to Azerbaijan. The Turkmen president might visit Azerbaijan in the near future. [end recording]

Foreign Minister on Oil, Russia, Other Issues

LD1506174095

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 2024 GMT on 14 June carries the 16-minute "Versions" program, hosted by Nikolay Dorenko, which this week looks at the oil industry in Azerbaijan, using film of dilapidated and mostly abandoned oil fields.

Commentator Dmitriy Pinsker says that in the last few years one of the largest oil fields on Apsheron Peninsula has been gradually abandoned, although it still has large quantities of oil. Repairing it and extracting the oil will be very costly. At present, Turkey and the United States are examining this option. They say that they can extract up to 15 million tonnes of oil per year from the abandoned oil wells. In contrast, last year only 10 million tonnes of oil were extracted in Azerbaijan, with only 2 million from ground wells, the commentator says.

Azerbaijan has the infrastructure for processing the crude oil, but it does not have the necessary financial resources. The British and the Americans have now decided to provide the necessary financial backing. According to Pinsker, they have done so because of Geydar Aliyev's policies aimed at stabilizing the political and economic situation in the country. Pinsker says that Aliyev's sometimes harsh policies have led to early investment by the consortium that wants to develop Chirag, Azeri, and Guneshli oil fields. It has already invested about $80 million, and this year the figure will be doubled.

Pinsker then says that the position taken by the Russian Foreign Ministry, said to be opposed to the consortium, is difficult to understand. Azerbaijani Foreign Minister Gasan Gasanov interviewed for the program, says: "It seems to me that you are complicating the situation. Because I have absolutely no difficulties in my relations with Andrey Kozyrev. Because the problem of the Caspian sea is not the only topic in which we have mutual interests. We have many topics, and on very many topics we find mutually acceptable positions and solutions. The Caspian Sea matter is just one of the topics. We are conducting negotiations at various levels about this, and I think that we will try to find a common solution for this problem.

"Most probably every foreign minister expresses the position of his state and represents the interests of his state. It seems that some political and economic interests of Russia are reflected more in this position. But I personally think that Azerbaijan does not build its position on the basis of statements made by other states. Azerbaijan would not like the status of the Caspian Sea or the route of the pipeline, or the presence of Russian military bases in Georgia to somehow influence the relations between our countries. Azerbaijan has never initiated and will never initiate any deterioration in relations with Russia, but it would like to see fewer such politicians in Russia as well."

Over video of Turkish street stalls, and mosques said to be built with Turkish money, Pinsker says that Turkey has also benefited from the generosity of Azerbaijan,

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which increased Turkey's share in the consortium from 1.5 percent to 6.5 percent.

Gasan Gasanov says that Turkey's presence in Azerbaijan has been historically determined, adding that it is only natural for the newly independent Azerbaijan to look at Turkey as one of its main trading partners.

Turning then to the conflict with Armenia, the minister says: "Armenia must first of all understand that it must stop being the source of war and tension in the trans-Caucasian region. Armenia will be able to flourish and develop only in conditions of peace and territorial integrity of the three states: Azerbaijan, Georgia, and Armenia. Armenia has access to both the Caspian and the Black Sea. And it could use the political and economic benefits it enjoys thanks to its advantageous geopolitical situation.

"At the same time, the wrong policies pursued by Armenia, the imperial ambitions by such a small state as Armenia, which wants to see itself as a great country and a great power have always caused damage to its development. Now they are also causing damage. If Armenia does not abandon its territorial ambitions, its economic development will be under serious threat. This is not our fault, but the fault of Armenia itself. Armenia must strive for peace, friendship, and mutual understanding with all the countries of the region, including the Republic of Azerbaijan."

Pinsker then says that the conflict with Armenia is hitting the economy of Azerbaijan hard. He suggests that the possibility of earning income from having the future pipeline from Azerbaijan to Turkey through its territory may prompt Armenia to seek a peaceful solution to its conflict with Azerbaijan. Hasanov says: "If Armenia thinks that it is the only possible option for an oil pipeline from Azerbaijan to the West, it is very wrong. Only someone without even a basic knowledge of geography could think so. Azerbaijan has many options for laying its pipeline to the West. Azerbaijan will use one of them."

Pinsker then says that Russia can no longer influence political decisions made in Baku, but it was certain to be displeased with the possible decision by the Azeri leadership to lay the oil pipeline through Georgia and Turkey, rather than Russia.

Pinsker adds that the international consortium will decide in autumn whether to lay the pipeline though the Russian Northern Caucasus or through Georgia. Meanwhile, the consortium is negotiating with the Russian LUKoil company.

President of LUKoil Vagit Aleksperov interviewed for the program, says he hopes that the Russian option will be chosen after all. He says: "We are convinced that this will be the most economical solution, because the Russian company Transneft is capable of transporting any amount of oil. The pipeline going through Novorossiysk is being repaired at present. We must prepare everything and Transneft will have the last word."

Aleksperov adds that the proposal for the pipeline to be taken through Georgia was probably politically motivated.

Pinsker then says that informed sources in Baku seemed to think that President Aliyev will favor the Georgian option rather than the Russian one. The latest increase in contacts between the two governments seems to support this view.

Meanwhile, other foreign companies are also trying to establish themselves in Azerbaijan. For example, the American company Benzoil has already started extracting concomitant gas, which will eventually enable Azerbaijan to stop the import of natural gas from Turkmenistan. Also, the Shell company is planning the exploration of new oil fields in the Caspian Sea, Pinsker says.

The program ends with a final comment Dorenko, who says that in the short term Russia will not gain anything from oil exploration in Azerbaijan, because its share in the consortium is too small. But in the long term, having some sort of presence in that region could be beneficial for Russia.

Georgia

Shevardnadze Meets CIS Interior Ministers

LD1506165295 Moscow ITAR-TASS World Service in Russian 1535 GMT 14 Jun 95

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[FBIS Translated Text] Tbilisi, 14 Jun — Eduard Shevardnadze, the head of the Georgian state, met the participants in the Conference of CIS Internal Affairs Ministers in Tbilisi this evening. A report by the press service of the head of the Georgian state points out that Army General Viktor Yerin, the Russian internal affairs minister and head of the Russian delegation, had thanked the head of the Georgian state for organizing the Conference of the CIS Internal Affairs Ministers in Tbilisi, and noted that such measures and the joint work of the law protection bodies will undoubtedly bring positive results.

Eduard Shevardnadze noted that organized crime has now become international. In order to fight it effectively, he said, there was a need for cooperation between the law protection bodies of different countries

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and a mechanism for coordinated action. Eduard Shevardnadze stressed that democratic states cannot be built unless the crime situation is improved.

Shevardnadze, Interpol Head Discuss Drug Cooperation

LD1506183195 Tbilisi CONTACT INFORMATION AGENCY in Russian 1345 GMT 15 Jun 95

[FBIS Translated Text] Tbilisi — Georgian head of state Eduard Shevardnadze today received the Interpol Secretary General Raymond Kendall.

It was stressed at the meeting that the setting up of a joint law-enforcement body of the CIS states would facilitate a better-coordinated fight against organized crime, and that the creation of this body does not mean, as some people have thought, the restoration of the Soviet entity.

Eduard Shevardnadze called Kendall's attention to the special geopolitical location of Georgia, which makes it possible to use its territory as a transit route for smuggling narcotics, and added that from that point of view, joint law-enforcement activities with both the CIS states and Interpol are of great importance.

At the end of the meeting, Mr. Kendall gave Shevardnadze Interpol's souvenir badge.

Government Will Not Finance Turkmen Gas Supplies

LD1506212195 Moscow INTERFAX in English 1849 GMT 15 Jun 95

[FBIS Transcribed Text] TBILISI, June 15 (PIA-INTERFAX) — The Georgian government has formally declared that it will no longer finance Turkmenian gas supplies with state budget funds.

From now on Turkmenistan will supply gas only on direct contracts with economic entities proceeding from their requirements and financial position. The population has received no gas since January 1995 and supplies will resume only if individual Mayors' offices conclude direct contracts with Turkmenistan.

In addition, the Georgian Cabinet has instructed the Georgian state enterprise Gruzgaz to ensure that Georgia receive precisely the amount of gas customers can pay for, because in the case of non-payments gas supplies could be halted altogether.

Under inter-governmental agreements the supplies of natural gas from Turkmenistan in 1995 were expected to total 4.3 million cubic meters a day, however, debts for transit and under-supply of products being bartered for gas, have reduced the daily supply to 1 million cubic meters.

All the gas Georgia now receives is used to produce electricity.

According to the Georgian Ministry of Commerce and Material Supplies, Georgia owes Turkmenistan $394 million for the 5.6 billion cubic meters of gas supplied in 1993-1994.

EU Decision on Partnership Talks Welcomed

LD1606132395 Tbilisi SAKINFORM in Russian 0703 GMT 16 Jun 95

[FBIS Translated Text] A SAKINFORM news agency correspondent reports from Brussels that the EU Council of Ministers discussed the report and recommendations of the European Commission on the EU's strategies in the Caucasus. The decision to begin talks between the Transcaucasian countries and the EU on a large-scale political and economic partnership agreement was supported. A statement has been adopted in this connection.

"The decision by the EU Council of Ministers is a significant event for our country and for the [Caucasus] region as a whole," Georgian head of state Eduard Shevardnadze told the SAKINFORM news agency. "The fact that the EU has started negotiations," Shevardnadze went on to say, "is an acknowledgement of the process of stabilization and the implementation of reforms in our country, which will bring Georgia's relations with the West to a qualitatively new level."

Russian Takeover of Hydroelectric Plant Protested

LD1606135595 Tbilisi SAKINFORM in Russian 0703 GMT 16 Jun 95

[FBIS Translated Text] [no dateline as received] The Abkhaz side has expressed a protest to Vasiliy Yakushev, the commander of the Russian peacekeeping forces, in connection with the fact that the peacekeeping forces have taken over the Inguri hydroelectric station and are not allowing Abkhaz militants there. The truth is that the Abkhaz separatists have been deprived of the possibility of pressuring the Georgian side by limiting electricity supplies to the country.

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Estonia

Vahi, German Delegation Discuss Cooperation

LD1506181595 Tallinn Radio Tallinn Network in Estonian 1400 GMT 15 Jun 95

[FBIS Translated Text] Prime Minister Tiit Vahi received today Berndt Seite, prime minister of Land Mecklenburg-Western Pomerania of Germany, and the delegation accompanying him. At a request from the visitors, Vahi provided a survey of Estonian economic reforms and domestic politics. At the meeting, the desire was expressed to develop economic cooperation, closer than hitherto, between Estonia and Mecklenburg-Western Pomerania.

The importance of the fact that Estonia and the other Baltic states are European Union's associate members was emphasized at the meeting. In connection with the Maastricht-2 meeting due in 1996, the European integration processes were discussed also in broader terms. Tiit Vahi noted that having become an EU associate member, Estonia requires more investment than hitherto, and invited German firms to invest in Estonia. The Via Baltica [highway] project was also under discussion.

It was also said at the meeting that as before, Estonia would like to normalize its relations with Russia.

Vahi Confers With Opposition on Russian, EU Accords

LD1506212995 Tallinn Radio Tallinn Network in Estonian 1700 GMT 15 Jun 95

[FBIS Translated Text] Now more about what the prime minister has been doing. Tiit Vahi had a meeting today with opposition leaders Andres Tarand, Siim Kallas, and Mart Laar. The opposition leaders supported in principle Tiit Vahi's proposals for speeding up the land reform. It was decided to continue consultations on whether to ratify or not ratify the Estonian-Russian agreements of July [1994]. Tiit Vahi and the opposition leaders noted at the same time that the association agreement with the European Union is expected to be ratified quickly in the Riigikogu.

Savisaar Meets French Counterpart, Israeli Premier

LD1506172495

[FBIS Editorial Report] Tallinn Radio Tallinn Network in Estonian at 1200 GMT on 15 June carries a 2-minute live or recorded interview given by Edgar Savisaar, Estonian interior minister, on his visit to France.

Savisaar says the most important meeting of his visit was with Jean-Louis Debre, French interior minister. He says, "We discussed possibilities for Estonian-French cooperation in the spheres of fighting crime and also immigration. We agreed we would draw up a cooperation agreement between the Estonian Ministry of Internal Affairs and the French Interior Ministry. When our president, Lennart Meri, and the then French president, Francois Mitterrand, met some time ago, the cooperation agreement they drew up specifically emphasized the need for cooperation to fight crime. So, these were the issues our meeting focused on."

Savisaar adds that the main beneficiary of the agreements with France to fight crime is the Estonian police, who are to gain in areas of training, equipment, and exchange of information.

Savisaar says that he also met Israeli Prime Minister Yitzhaq Rabin at the Israeli pavilion of an aviation exhibition: "We spoke about relations between Estonia and Israel and I emphasized that the current new Estonian Government was interested in continuing the constructive cooperation with Tel Aviv."

Lithuania

Slezevicius on 'Terrorist Action' in Budennovsk

LD1506181795 Moscow ITAR-TASS in English 1314 GMT 15 Jun 95

[By Vladas Burbulis]

[FBIS Transcribed Text] Vilnius, June 15 (ITAR-TASS) — "I was staggered by the sad news which came from the Stavropol territory. As the head of state and a citizen. I am condemning the terrorist action committed in the city of Budennovsk as a result of which civilian people died and many people were taken hostage whose lives are also in danger," Adolfas Slezevicius, prime minister of Lithuania, told a news conference here today.

He noted that it was impossible to justify such actions even if they were committed in the name of the defence of the idea of independence "as civilian people are suffering who are not connected with the military conflicts taking place close by".

Trade Agreement for 1995 Signed With Romania

LD1506200795 Moscow ITAR-TASS in English 1849 GMT 15 jun 95

[By Nikolay Morozov]

[FBIS Transcribed Text] Bucharest, June 15 (ITAR-TASS) — Romanian Trade Minister Petru Crisan and his Lithuanian counterpart Juozas Klimasauskas signed an inter-governmental agreement on trade and economic cooperation in 1995 in Bucharest today. According to

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officials, this document will help increase bilateral trade turnover by 25 per cent as compared with 1994.

After signing the agreement, the Lithuanian minister noted that contracts on shipments of metals, motor vehicles and wine products are the results of the talks held in Romania. The head of the Romanian trade ministry emphasised that the signed documents will help increase Romania's exports to Lithuania by 60 per cent in the current year.

The volume of Romanian-Lithuanian trade turnover amounted to 6 million U.S. dollars, out of which 2.4 million dollars were accounted for by Romanian exports of furniture, building materials and chemical products.

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